

THE DIVERSE INCOME TRUST PLC



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR TO 31 MAY 2024**

Superior returns via good and
growing dividends

Contents

The Company

The Key Performance Indicators	i
The Nature of the Trust's Investment Strategy	ii
Annual Report for the Year to 31 May 2024	01

Strategic Report

Chairman's Statement	02
Summary of Results and Financial Performance Indicators	04
Manager's Report	06
Portfolio Information	13
Business Model	15
Principal Risks and Uncertainties	16
Share Capital	20
Stakeholder Engagement	21
Management, Social, Environmental and Diversity Matters	23

Governance

Directors	25
Report of the Directors	26
Corporate Governance Statement	33
Audit Committee Report	40
Director's Remuneration Report	43
Statement of Director's Responsibilities	47
Independent Auditor's Report	49

Company and Group Accounts

Consolidated Income Statement	58
Statement of Changes in Equity	59
Balance Sheets	61
Cash Flow Statements	62
Notes to the Consolidated Financial Statements	63

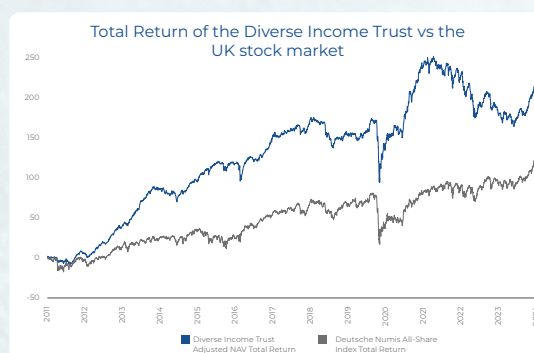
Shareholder Information

Redemption of Ordinary Shares	84
Shareholder Information	85
Notice of Annual General Meeting	89
Alternative Investment Fund Managers' Directive Disclosures	95
Glossary	96

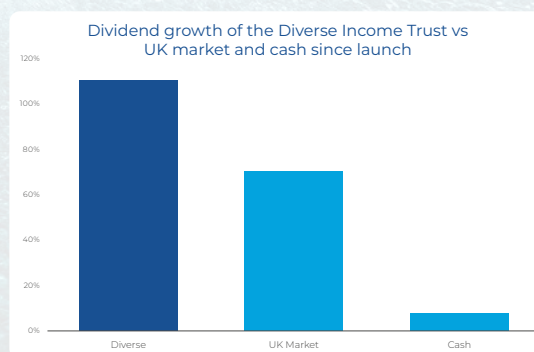
Cover photograph:

TP ICAP, a financial services company, used with permission

The Diverse Income Trust aims to deliver **good and growing** total returns, by investing in a wide range of **good and growing** companies, which are expected to produce **good and growing** dividends.



Source: Morningstar



Source: Premier Miton

THE KEY PERFORMANCE INDICATORS

to 31 May 2024

The Board uses the following Key Performance Indicators (KPIs) to assess the success of the Company's strategy and its outcome for shareholders. Throughout this report we refer to Adjusted Net Assets ("Adjusted NAV") which is the calculated NAV prior to recognising a movement attributable to the redemption pool as detailed in the Glossary on page 97. The NAV including the movement is shown below and is also detailed in the Glossary.

Adjusted NAV total return^{*^}

15.4%

NAV total return*: **16.5%**
2023: **(16.2%)**

Peer Group**: **15.6%**

Deutsche Numis All-Share
(Comparator Index): **15.6%**

Since launch to 31 May 2024

Adjusted NAV total return: **219.9%**

Peer Group**: **185.2%**

Deutsche Numis All-Share
(Comparator Index): **119.0%**

Dividend Growth

4.9%

Dividend increased from **4.05p to 4.25p**

The Trust has maintained an unbroken good and growing dividend record.

Average Discount*

7.1%

2023: **5.0%**

Since launch to 31 May 2024: **1.2%**

Over the thirteen years since listing, the Company's share price has largely matched its NAV. The Trust's discount over the year reflects how unloved UK equities remain.

Ongoing charges*

1.14% of NAV

2023: **1.09%**

The Trust employs a multicap** strategy that requires intensive, frequent direct engagement with company management. The Board has negotiated a reduction in the management fee effective from 1 June 2024, the details of which are set out on page 69.

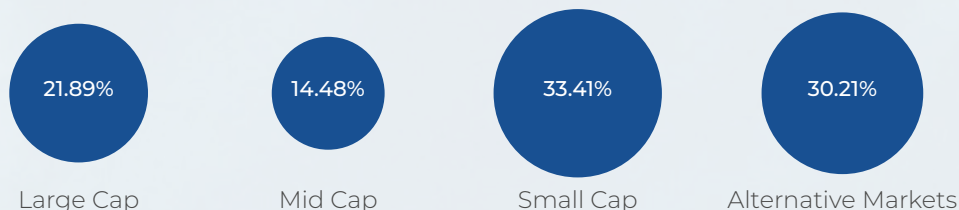
* Alternative performance measure. Defined in the Glossary on pages 96 to 100.

** Defined in the Glossary.

^ Based on return before redemption pool adjustment.

DEPTH AND OPPORTUNITY

Portfolio weightings by market capitalisation as at 31 May 2024*



Source: Deutsche Numis, Premier Miton

* The Deutsche Numis indices are defined in the Glossary.

- Typically smaller companies outperform larger companies over time, and within this universe there is a vast opportunity set of under researched and unloved companies.
- The large and mid-cap sectors of the UK market provide the principal investment universe for index funds and for typical UK equity funds.
- The Trust invests in over 100 UK companies with prospects of strong earnings and cash flows, and good and growing dividends. The resulting portfolio offers diversity of exposure, by both sector and market capitalisation.
- Small caps around the world have been in the doldrums of late, particularly in the UK, as the very large tech stocks, "The Magnificent 7", have dominated sentiment and returns.
- Such stocks are reaching peak earnings, however, while valuations in the UK have continued to fall.
- Against the background of a new government committed to growing the UK economy and making the UK attractive to investors once more, there is huge untapped potential when sentiment changes.
- A change in sentiment also has the potential to help narrow the Trust's discount, further boosting shareholder returns.
- The Manager anticipates continuing to grow the Trust's income and therefore its dividend, at a time when interest rates have peaked.

THE DIVERSE INCOME TRUST PLC

to 31 May 2024

The Company's Objective

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

It seeks to achieve this by investing principally in UK-listed companies that have the potential to generate above-average dividend growth. If the Trust's strategy succeeds, it is anticipated that its return will outpace others in the Peer Group, as well as the mainstream stock market indices over the longer term.

The Board sets the Trust's objectives and appoints Premier Miton Managers Limited ('PPM' or the 'Manager') to manage the Trust. The Board is independent of the Manager.

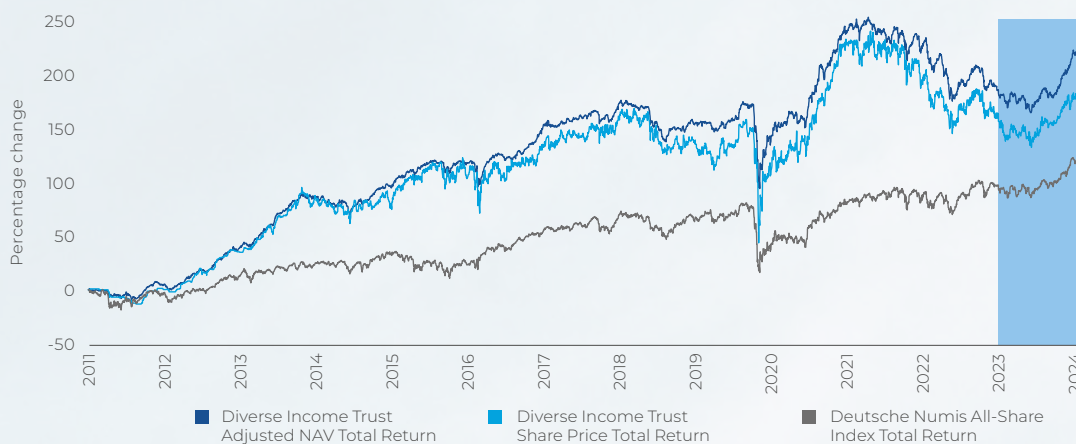
In the year to 31 May the adjusted NAV total return of the Trust was 15.4%, which compares with:

- 15.6% in the Deutsche Numis All-Share Index;
- 12.5% in the Deutsche Numis Smaller Companies plus AIM Index (excluding investment Companies); and
- 15.6% in the Peer Group*.

Since inception the adjusted NAV total return of the Trust has been 219.9%, compared with:

- 119.0% total return from the Deutsche Numis All-Share Index;
- 110.9% total return from the Deutsche Numis Smaller Companies plus AIM Index (excluding Investment Companies); and
- 185.2% return from the Peer Group.

Company performance since launch on 28 April 2011



The Diverse Income Trust plc is an investment trust quoted on the London Stock Exchange under the ticker code DIVI. In this report it is referred to as the 'Company', the 'Trust' and 'Diverse', or together with its subsidiary, DIT Income Services Limited, as the 'Group'.

* The Peer Group is defined in the Glossary.

CHAIRMAN'S STATEMENT



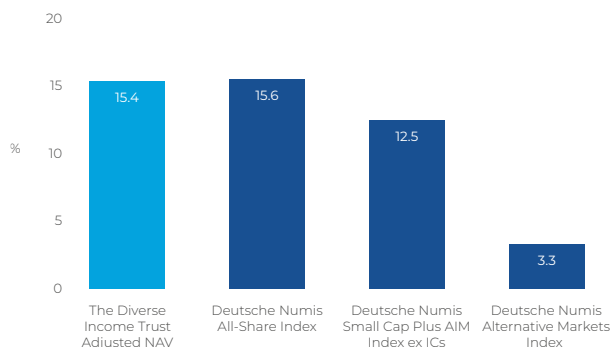
Introduction

UK base rates were on a plateau of 5.25% for 11 months before the recent reduction to 5.0%, fitting the metaphor used by the BoE's Chief Economist "that the peak in rates would resemble Table Mountain rather than the Matterhorn". Although the full effect of rate rises is still filtering into the economy, inflation has been tamed and with the General Election behind us, the new government has indicated they will be pro-growth, so sentiment appears to be improving.

Performance, and Dividends to shareholders

In the year to 31 May 2024 the Trust's adjusted Net Asset Value rose by 15.4%. By comparison, the Deutsche Numis All-Share Index delivered a total return of 15.6%. Small cap stocks saw a return of 12.5% and the Deutsche Numis Alternative Markets index rose 3.3%, in both cases recovering from materially lower levels earlier in the year.

Total returns of the Trust and various Deutsche Numis indices over the past 12 months



Source: Morningstar

"ICs": Investment Companies

The Trust's Revenue per Share increased by 7.4% this year to 4.35p. The Trust increased its dividend by 4.9% this year from 4.05p to 4.25p, which includes a recommended final dividend of 1.20p to be approved at the AGM.

There was a recovery in the UK's performance in the second half of the period, led by smaller companies and AIM stocks, which worked to the benefit of our portfolio. The share price total return was 12.7% owing to a widening of the discount.

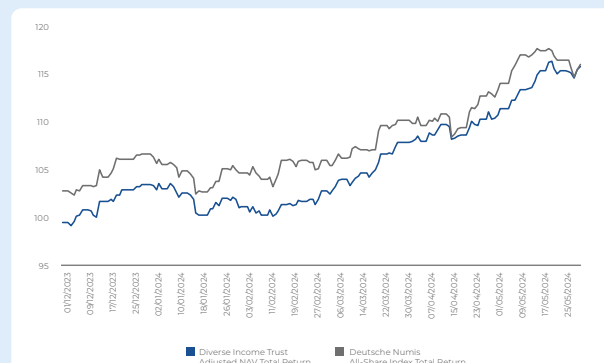
2024 was a year of two halves:



31 May – 30 November 2023

- Overshadowed by the Magnificent 7
- Investors allocating away from the UK

Source: Morningstar



30 November – 31 May 2024

- UK valuations are seen as compelling
- Increasing market breadth

Market valuation and share redemptions

Sentiment remained poor with persistent disinvestment from UK equities by investors, despite a more positive market trend since the first quarter of 2024. The Trust's share price traded at an average 7% discount to its NAV over the year to May 2024, which was wider than the 5% average of the prior year. This widening was common across most of the investment trust sector, but was nonetheless unwelcome.

Each year the Board offers shareholders a voluntary redemption opportunity. This year, 82,147,477 shares were offered for redemption, representing 25.8% of the Trust's equity. In the past the Company has chosen to redeem the shares at the NAV on the redemption date or find buyers at or above this level in the market. However, given the size of the redemption and in order to balance the interests of redeeming and continuing shareholders a redemption pool was created, from which redeeming shareholders received the sale proceeds. The redemption point for 2025 has been moved from 31 May to 29 August, in order to separate the administration of and accounting for any redemption from the preparation of the financial statements and Annual Report for the year. The relevant dates and details are outlined on page 84.

Prospects

To strike a note of realism but also of hope, if both substance and perceptions of the UK economy sustainably improve there is latent value on offer.

Nobody rings a bell at the market top but nor do they sound the gong at the low point. So, this is not a forecast of better times but an observation that a bad attitude is like a flat tyre – you cannot go anywhere until you change it, and it is hard to dispute that UK investors have been pessimistic in recent years.

Investors can take some encouragement from the better performance of the UK stock market in recent months, led by smaller companies. The UK has derated relative to other markets, and within the UK, smaller cap companies have derated more leading our Manager to be more upbeat, finding valuations compelling.

From launch in April 2011 to the end of May 2024, Diverse Income has delivered an adjusted NAV total return of just under 220% and a share price total return of 181%, while the UK market, as measured by the Deutsche Numis All-Share Index, rose 119% over the same period. Substantial value was added in the early years, but performance has been more inconsistent since Brexit and the US tech boom has provided investors with reasons to bypass the UK. I am pleased to report that the Trust's performance has stabilised and begun to improve. A revival in UK small cap particularly AIM stocks should materially benefit the Diverse Income Trust's prospects.

Andrew Bell
Chairman

19 August 2024

SUMMARY OF RESULTS AND FINANCIAL PERFORMANCE INDICATORS¹

Results in summary

31 May 2024

Adjusted NAV per ordinary share*

97.84p²

2023: 88.87p change: 10.1%

Ordinary share price

89.40p

2023: 83.40p change: 7.2%

(Discount)/premium to adjusted NAV*

(8.6%)

2023: (6.2%)

NAV per ordinary share

98.87p²

2023: 88.87p change: 11.3%

Revenue return per ordinary share*

4.35p

2023: 4.05p

Ordinary dividends per ordinary share

4.25p

2023: 4.05p change: 4.9%

¹ For an in-depth assessment of performance please refer to the Chairman's Statement on pages 2 and 3 and the Manager's Report on pages 6 to 12.

² See Glossary for more details on page 97.

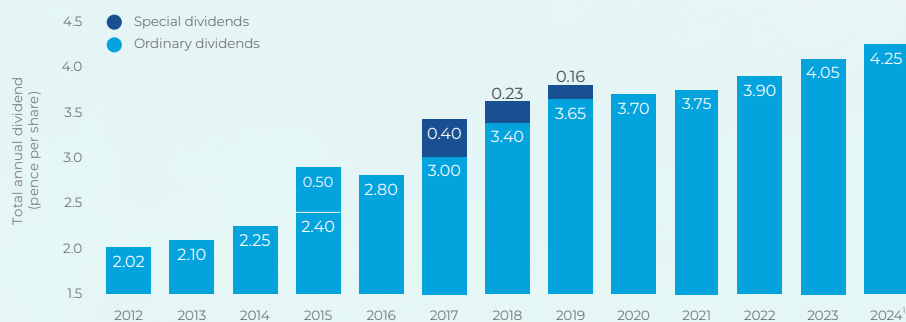
* Alternative performance measure. Defined in the Glossary on pages 96 to 100.

Ordinary shares in issue as at 31 May 2024: 236,393,165 (2023: 355,870,647)

Further Analysis¹

The three interim dividends and the proposed final dividend for the year amount to 4.25p, compared with 4.05p in the previous year, an increase of 4.9%.

Total annual dividends declared by the Company



Source: Company

¹ Includes proposed final dividend for the current year.

Diverse has demonstrated long term outperformance of the Comparator Index.

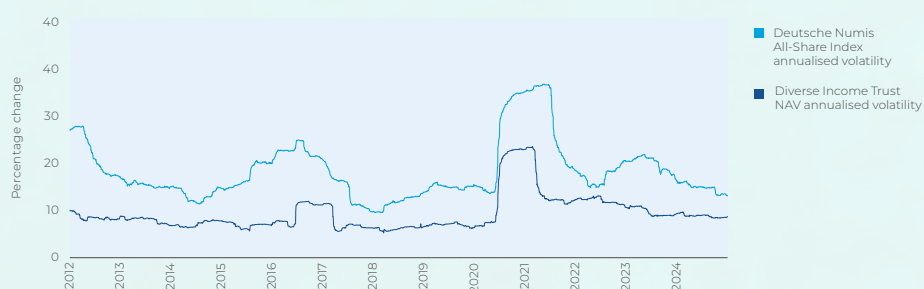
Total returns of the Trust (NAV and share price) vs the Deutsche Numis All-Share Index



Source: Morningstar

The diversity and depth of Diverse improves its volatility.

NAV Volatility vs Deutsche Numis All-Share index



Source: Premier Miton

¹ For an in-depth assessment of performance please refer to the Chairman's Statement on pages 2 and 3 and the Investment Manager's Report on pages 6 to 12.

MANAGER'S REPORT

Who are the fund managers that have day-to-day responsibility for the makeup of the Trust's portfolio?



Gervais Williams

Gervais joined Miton in March 2011 and is now Head of Equities in Premier Miton. He has been an equity fund manager since 1985, including 17 years at Gartmore. He was named Fund Manager of the Year by What Investment? in 2014. Gervais is also the President of the Quoted Companies Alliance and a member of the AIM Advisory Council.



Martin Turner

Martin joined Miton in May 2011. Martin and Gervais have had a close working relationship since 2004, with complementary expertise that led them to back a series of successful companies. Martin qualified as a Chartered Accountant with Arthur Anderson and had senior roles and extensive experience at Merrill Lynch and Collins Stewart.

This report is set out in three sections.

Section 1 – Why do we believe that a multicap income strategy has major advantages over the longer-term?

Why was the Trust set up with a focus on equity income stocks?

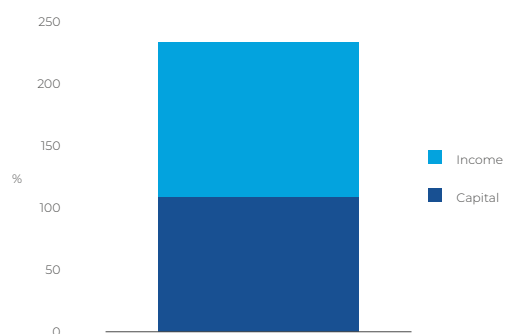
- **Cash dividends** – Quoted companies that succeed do not just generate profit growth. Many pay good and growing dividends so they can accelerate their growth via additional capital raised from external shareholders. During economic recessions when most corporates are short of cash, stocks paying good and growing dividends can often continue to raise additional capital, which is disproportionately advantageous.
- **NAV appreciation** – Stock markets typically fluctuate considerably throughout the year. Hence a NAV typically appreciates by a large percentage, or alternatively suffers a setback over the annual reporting cycle.

Over the longer term, rising NAV fluctuations in some years are typically offset by declining NAV fluctuations in others. Meanwhile, significant cash dividends accumulate over time to become a greater and greater capital sum. So, over the longer term, say ten years, a significant stream of cash dividends may end up being the majority of an equity income trust's total return, outpacing its overall NAV appreciation.

When the Diverse Income Trust was first launched in 2011, inflationary pressures were benign. The Trust's strategy was crafted so that it had a good chance of growing its cash dividends faster than others in its Peer Group. The years since 2011 have been marked by unusually strong stock market appreciation, especially in the US. Overall, most international strategies have reported a series of NAV rises. Thus a trust like Diverse, which delivers a major portion of return via the accumulation of a stream of dividends, has been outpaced by those with a greater focus on NAV appreciation. We view this outcome as unusual, and as such vulnerable to change.

More recently inflationary pressures have become increasingly unsettled. If this leads to recessionary conditions, companies requiring external risk capital to fund their businesses could find themselves under pressure, while those generating surplus cash should prove more resilient. It is in this context that the Diverse Income Trust was set up as an equity income portfolio. Globalisation is fading, and a trust that can deliver a major proportion of its return via the accumulation of dividends (as shown below for Diverse) may not just be well set to generate an attractive return over the longer term, but if stock markets are less buoyant may also outpace those focusing on NAV appreciation.

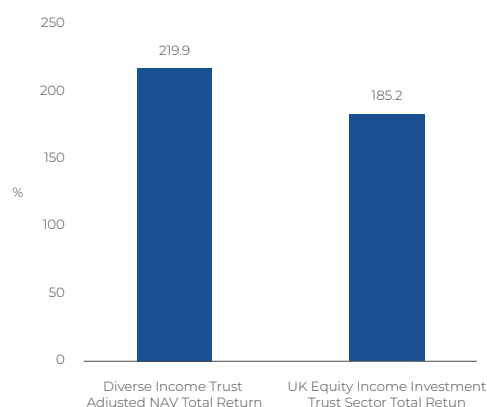
Contribution to Diverse adjusted NAV Total Return since launch



Source: Premier Miton

Over recent years US largecap stocks have delivered abnormally strong returns, but even so Diverse has still met its long-term objective of delivering some of the best returns of its Peer Group since issue.

Total returns of the Diverse Income Trust relative to the Peer Group since launch



Source: Morningstar

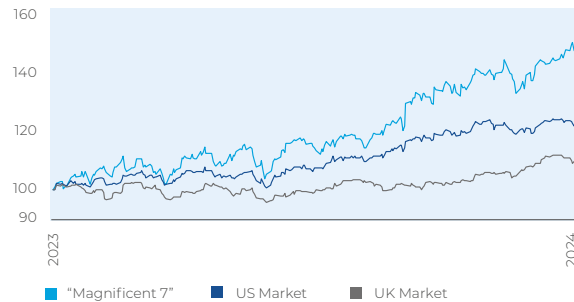
As globalisation fades, trusts that deliver a major proportion of their return via cash dividends, such as Diverse, appear set to outpace those with a greater reliance on buoyant stock markets and NAV appreciation.

MANAGER'S REPORT CONTINUED

Large and mega cap stocks have delivered excellent returns recently, so why was the Trust set up with a major portion of its portfolio invested in quoted small caps?

- Mainstream stock markets have performed so strongly for so long, that low-cost passive strategies, where portfolio's weightings are solely determined by the scale of the individual stocks in an index, have become popular.
- This has led to a self-feeding loop with ever-larger capital flows driving up mega cap technology valuations, so their returns have greatly outpaced all others. Meanwhile, capital withdrawals have depressed small cap returns, amplifying their period of underperformance.
- Whilst the performance of mega caps has been extraordinary over recent years, historic stock market data highlights that this is most unusual. Over the longer-term, smaller companies typically outperform larger companies, a pattern academics refer to as the 'smallcap effect'. Overall, US technology mega cap valuations appear overstretched currently, such that even a minor change in trend might now drive a major reversal in their returns.

Performance of the "Magnificent 7" vs US market & UK market (GBP total return, rebased to 100)



Source: Premier Miton

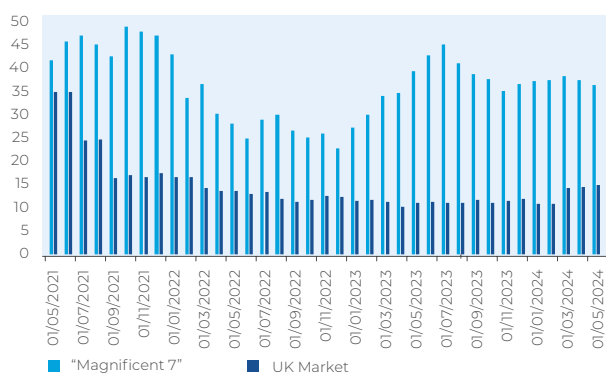
- When returns from quoted smallcaps are outpaced by large caps, it can be dispiriting. In the past however, prior underperformance has been more than reversed by subsequent small cap outperformance.
- Given the ambitions for its strategy, the Diverse Income Trust was set up with a multicap focus that includes numerous small caps. With global small cap valuations unusually depressed, we and the wider market are now starting to anticipate a major performance catch-up.

“...mega cap valuations appear overstretched currently, such that even a minor change in trend might now drive a major reversal. With global small cap valuations unusually depressed currently, we and the wider market are starting to anticipate a major performance catch-up.”

Does a Trust principally investing in UK equities really have the potential to outperform global stock markets?

Although the UK stock market has generated returns that compare favourably with inflation over the decades, its returns have been outpaced by international stock markets with greater cohorts of technology growth stocks that have drawn upon the buoyant markets to deliver accelerated growth. Overall, this has left the UK stock market standing on an unusually low valuation compared with the US mega cap technology stocks for example.

Price to Earnings ratio of "Magnificent 7" and UK market (GBP adjusted)



Source: Premier Miton

In our view, the UK stock market has the potential to become one of the best performing global stock markets over the coming decade. This might occur at a time when many other stock markets are delivering comparatively weak returns. We believe that the Diverse Income Trust's specific focus on a portfolio of UK quoted companies, including numerous UK small caps, will be a major advantage.

In short, we believe it is easy to overlook just how successful the Trust's strategy could be. If globalisation continues to fade, then we believe that most global investors will reweight their capital into equity income stocks, with the UK stock market being the prime beneficiary.

“If globalisation continues to fade, then we believe that most global investors will reweight their capital into equity income stocks, with the UK stock market being the prime beneficiary.”

MANAGER'S REPORT CONTINUED

Section 2 – The Year Under Review

What were the principal contributors and detractors to the Trust's performance in 2024?

	Contribution to return %
Largest 5 contributors to performance	
CMC Markets Plc	1.38
XPS Pensions Plc	1.34
Pan African Resources Plc	1.26
TP ICAP Plc	1.15
Galliford Try Holdings Plc	1.13
Largest 5 detractors from performance	
Touchstone Exploration Inc.	(0.40)
Strix Group Plc	(0.41)
R & Q Insurance Holdings Ltd	(0.51)
I3 Energy Plc	(0.88)
Vanquis Banking Group Plc	(1.36)

Source: Premier Miton

Principal contributors:

Over the year under review, there were six portfolio holdings whose share price appreciation and dividend income each added at least 1% to the Trust's returns. Three of these were in the financial sector, where the persistently high interest rates were only a tangential benefit.

- **XPS Pensions** advises pension schemes on methods of reducing risk within the context of the requirement to ensure they meet future pension payments in full. XPS has been steadily taking market share over recent years, and its growth rate accelerated this year.
- **CMC Markets** has been a strong performer for the Trust in the past, but its share price had fallen back considerably as it invested in widening its further offer so that customers could participate in financial markets more efficiently. As CMC's investment phase concluded, and it started winning new customers, its share price recovered rapidly.

- **TP ICAP** has also been investing to improve the market liquidity of credit, with an initiative that may make a major difference in future. (Further details below)
- **Pan African Resources** is a South African gold mining company which has benefited as the gold price has increased.
- **Galliford Try**, the UK construction business featured as the portfolio example in the last two reports, has an improved valuation, although in our view it remains somewhat overlooked.
- In addition, **Yu Group**, which was only brought into the Trust's portfolio earlier this year, also added 1.1%. Yu Group is an immature utility supplying the corporate sector and is set to take a greater market share over the coming years.

Significant detractors:

- **Vanquis Banking Group** is a provider of credit to those with impaired credit histories. Whilst Vanquis's underlying operations are delivering the turnaround anticipated, it experienced a series of claims coordinated by a single claims management company, and while the claims were themselves individually modest, Vanquis was obliged to fund the costs of the Financial Ombudsman as well as the cost of researching each claim. It is interesting to note that Financial Conduct Authority has actively sought to reduce Vanquis's costs by potentially increasing the charges of the claims management companies, possibly believing that mass claims like these are largely spurious.
- **I3E's** share price was weak as the energy price peaked. I3E, like CMC Markets highlighted above, has been a top performer for the Trust in the past, and continues to pay a generous dividend yield, with considerable recovery potential when the energy price rises again.

No other holding detracted more than 0.5%; The FTSE 100 Put option detracted 0.3% in this period, its term having expired in December.

Sales and purchases:

- Holdings in **Forterra, Kitwave, Jet2, Mondi** and **Vistry** were sold as we believe others have greater upside potential.
- The capital released was reallocated to new holdings including **Greencoat UK Wind, Hunting, IG Group, Ithaca Energy, Shell** and **Yu Group** (which features as a top performer above).
- Takeover offers during the year included **Accrol, DWF, Finsbury Food** and **SCS**. In general, we believe that these holdings were

standing on unusually low valuations prior to their takeovers, and even with the addition of a takeover premium were still not fairly valued. Unfortunately, most other shareholders were happy to assent to the offers, so the takeovers completed despite our views.

Generally, the portfolio remains cautiously positioned. The TP ICAP example highlighted below illustrates this point. It has grown its dividend well over recent years and has prospects that are not closely linked to the fluctuations of the global economy, yet is still standing at what we consider to be an exceptionally low valuation. We believe that the portfolio collectively has the potential to deliver returns well above that of inflation, even if global growth were to slow further.



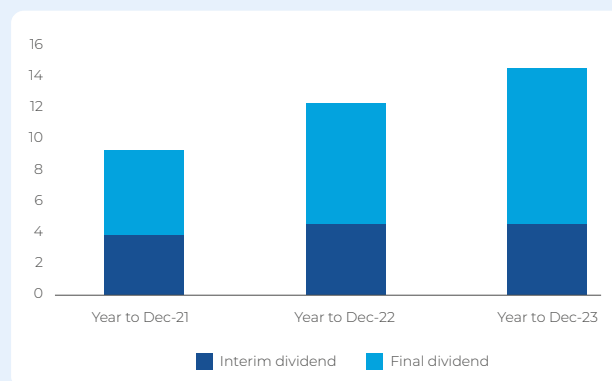
TP ICAP – an example of a stock in the Trust's portfolio

TP ICAP is a large business connecting wholesale buyers and sellers within the global financial, energy and commodities markets. The data and market intelligence derived from this service are also beneficial to clients. The group is a global leader in market infrastructure, and in the effective operation of a range of global markets.

Over recent years TP ICAP has invested heavily towards greatly improving the market liquidity of listed loans (typically corporate credit), that in our view will make its services considerably more valuable in future. As this investment matures, we believe that TP ICAP will generate considerable additional growth in profits and dividends. As highlighted in the bar chart alongside, over recent years TP ICAP has already scaled up its dividends to shareholders, and we believe this trajectory will continue.

Despite its current and ongoing success, TP ICAP still stands on what we consider to be a very overlooked Price to Book ratio of 0.8x (defined in the Glossary). If it continues to deliver further substantial dividend growth in future, we expect this to be accompanied by a major increase in its share price. Stocks with these characteristics reflect those that the Manager seeks when selecting portfolio holdings for the Trust.

TP ICAP dividends – last 3 years' dividends



Source: TP ICAP

“...the Trust's portfolio holdings are currently standing at what we consider to be exceptionally low valuations...”

Section 3 – Our Outlook For The Trust

We are optimistic and think that a UK-quoted multicap equity income strategy has excellent prospects:

The UK stock market itself stands on a low valuation, having been outpaced by others during globalisation.

'The smallcap effect'. As UK-quoted smallcaps are standing on absurdly low valuations currently, their upside potential appears to be even greater than mainstream stocks.

The UK stock market has recently broken out of its 1999 trading range on the upside. This is significant in our view because it has occurred at a time when local investors continue rapidly to sell down their local holdings.

The notion of the UK stock market becoming a global leader may appear remote. But this is usual at recovery points and has happened previously. Between 1965 and 1985 for example, the UK stock market greatly outperformed the US stock market. We believe it is set to do so again.

Given that the UK stockmarket is starting from what appears to be a very undemanding valuation, and few global investors have a weighting in it, when it recovers it has the potential to outperform international markets for a long period, maybe a decade or two.

Furthermore, we believe that the Diverse Income Trust will outperform this favourable trend.

In our view, the absence of capital return from the Diverse Income Trust is principally driven by a one-off devaluation of UK-quoted smaller company share prices rather than implying a systemic change in the longer-term prospects for the Trust's strategy. We therefore believe that growth in the Trust's revenue per share and in its dividend progression is the most meaningful long-term measure of the Trust's underlying progress.

In summary, we believe the prospects for the Trust's strategy are the strongest they have been for decades.

Gervais Williams and Martin Turner

19 August 2024

“...we believe the prospects for the Trust's strategy are the strongest they have been for decades.”

PORTFOLIO INFORMATION AS AT 31 MAY 2024

Rank	Company	Sector & main activity	Valuation £000	% of net assets	Yield ¹ %
1	CMC Markets	Financials	9,548	4.1	1.7
2	XPS Pensions	Financials	9,038	3.9	3.4
3	TP ICAP	Financials	8,154	3.5	6.8
4	Galliford Try	Industrials	7,311	3.1	8.8
5	Pan African Resources**	Basic Materials	6,791	2.9	3.0
6	PayPoint	Industrials	6,361	2.7	6.9
7	Kenmare Resources	Basic Materials	6,174	2.6	12.2
8	MAN	Financials	5,719	2.5	4.7
9	Tesco	Consumer Staples	5,645	2.4	3.9
10	Plus500	Financials	5,634	2.4	6.0
Top 10 investments			70,375	30.1	
11	Just	Financials	5,362	2.3	2.0
12	Legal & General	Financials	5,298	2.3	8.1
13	BT	Telecommunications	5,268	2.3	5.9
14	Sabre Insurance	Financials	5,217	2.2	5.3
15	Yu**	Utilities	5,117	2.2	2.2
16	Sainsbury (J)	Consumer Staples	5,077	2.2	4.7
17	Phoenix	Financials	4,770	2.0	10.6
18	I3 Energy**	Energy	4,717	2.0	9.0
19	AVIVA	Financials	4,673	2.0	7.0
20	Zotefoams	Basic Materials	4,467	1.9	1.3
Top 20 investments			120,341	51.5	
21	Concurrent Technologies**	Technology	4,435	1.9	-
22	Savannah Energy***	Energy	4,407	1.9	-
23	Drax	Utilities	4,386	1.9	4.5
24	Property Franchise**	Real Estate	4,289	1.8	3.5
25	ME Group international	Consumer Discretionary	4,268	1.8	4.0
26	Conduit Holdings	Financials	3,951	1.7	5.3
27	TruFin**	Financials	3,873	1.7	-
28	Mears	Industrials	3,852	1.6	2.8
29	National Grid	Utilities	3,761	1.6	6.6
30	Diversified Energy	Energy	3,737	1.6	7.8
Top 30 investments			161,300	69.0	
31	FRP Advisory**	Industrials	3,726	1.6	3.6
32	Smurfit Kappa	Industrials	3,672	1.6	3.4
33	Vodafone	Telecommunications	3,672	1.6	10.2
34	BAE Systems	Industrials	3,641	1.5	2.2
35	Energiean	Energy	3,501	1.5	7.9
36	Intermediate Capital	Financials	3,245	1.4	3.4
37	Shell	Energy	3,213	1.4	3.8
38	Rio Tinto	Basic Materials	3,157	1.3	6.2
39	Tatton Asset Management**	Financials	3,030	1.3	2.9
40	NewRiver REIT	Real Estate	3,029	1.3	9.1
Top 40 investments			195,186	83.5	
Balance held in 77 equity investments			97,506	41.7	
Total investment portfolio			292,692	125.2	
Other net current liabilities			(58,979)	(25.2)	
Net assets			233,713	100.0	

A copy of the full portfolio of investments as at 31 May 2024 is available on the Company's website, www.diverseincometrust.com.

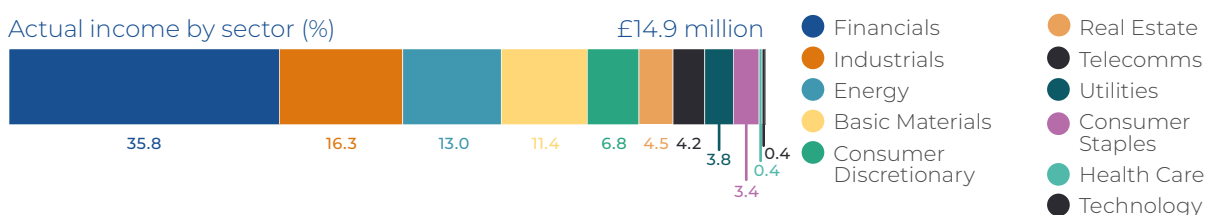
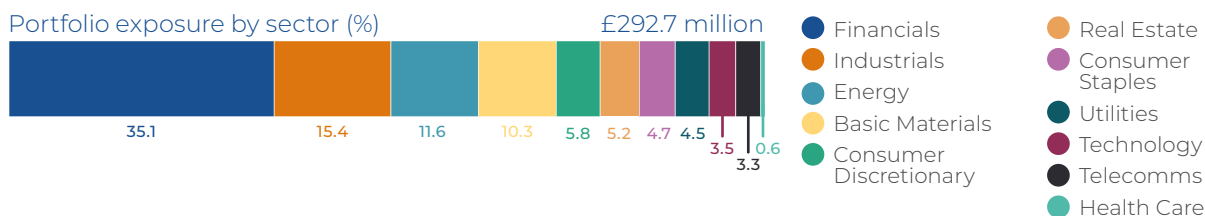
* Source: Refinitiv. Based on historical yields and therefore not representative of future yields. Includes special dividends where applicable.

** AIM/AQUIS listed

+ Security currently suspended

PORTFOLIO INFORMATION CONTINUED

Portfolio as at 31 May 2024



Source: Refinitiv

The tables above set out how the portfolio's capital was deployed as at 31 May 2024. The data is shown in terms of the classifications on which the holdings are listed. The portfolio as at 31 May 2024 is set out in detail on page 13, in line with that included in the Balance Sheet on page 61.

The investment income above comprises the income from the portfolio as included in the Income Statement for the year ended 31 May 2024 attributable to the various sectors. The returns of the Company are from Capital and Revenue. Investments for the Company's portfolio are principally selected on their individual merits. As the portfolio evolves, the Manager continuously reviews the portfolio's overall sector and index balance to ensure that it remains in line with the underlying conviction of the Manager.

The Investment Policy is set out on pages 85 and 86, and details regarding risk factors and diversification and other policies are set out each year in the Annual Report.

The investments are held on regulated exchanges, primarily the LSE Main Market and AIM. This provides the ability of smaller listed companies to raise funds. This also provides liquidity in acquisition and disposal of shares by the Company. The Manager actively reviews the liquidity of the investments in the portfolio. The Company maintains an adequate cash position to enable it to take advantage of investments at opportune times.

BUSINESS MODEL

Diverse was launched on 28 April 2011. It is registered in England as a public limited company and is an investment company in accordance with the provisions of Sections 832 and 833 of the Companies Act 2006.

The principal activity of the Company is to carry on business as an investment trust. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Sections 1158/1159 of the Corporation Tax Act 2010 ("S1158/1159"). The Directors do not envisage any change in this activity in the foreseeable future.

The Company has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under S1158/1159 and will continue to be treated as an investment trust company, subject to there being no serious breaches of the conditions for approval.

The principal conditions that must be met for continuing approval by HMRC as an investment trust are that the Company's business should consist of "investing in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results" and the Company may only retain 15% of its investment income without distributing it as dividend payments. The Company must also not be a close company. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 May 2024 so as to be able to continue to qualify as an investment trust.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments and all other net capital gains.

The Company has a wholly-owned subsidiary, DIT Income Services Limited. The purpose of the subsidiary is to invest in shorter-term holdings, where the gains after corporation tax can be passed up to the parent company by way of dividends, thus improving the position of the Company's revenue account.

Investment Policy

The Company's full investment policy is set out on pages 85 and 86 and contains information on the policies which the Company follows relating to asset allocation, risk diversification and gearing, and includes maximum exposures, where relevant.

The Company invests primarily in UK-quoted or traded companies with a wide range of market capitalisations but a strong long-term bias toward small and mid-cap equities with a view to achieving the Company's investment objective. Currently, the Company's entire portfolio is predominantly invested in publicly listed stocks, cash and an Option.

The Manager adopts a stock-specific approach in managing the Company's portfolio and therefore sector weightings will be of secondary consideration. As a result of this approach, the Company's portfolio will not track any benchmark index.


PRINCIPAL RISKS AND UNCERTAINTIES



The Company is exposed to a variety of risks and uncertainties that could cause its asset price or the income from the investment portfolio to reduce, possibly by a sizeable percentage in the most adverse circumstances. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the emerging and principal risks facing the Company, together with a review of any new risks which may have arisen during the year, including those that would threaten its business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk matrix, which is regularly reviewed by the Audit Committee. Information regarding the Company's internal control

and risk management procedures can be found in the Corporate Governance Statement on page 39. In reviewing the principal uncertainties during the year, the Board was cognisant of the risks relating to political and economic uncertainty in the UK, global inflationary pressures and global conflicts.




The principal financial risks and the Company's policies for managing these risks, and the policy and practice with regard to financial instruments are summarised in note 18 to the financial statements.



The Board has also identified the following principal and emerging risks and uncertainties:

Risk	Mitigation	Movement
Investment and strategy		
<p>There can be no guarantee that the investment objective of the Company will be achieved.</p> <p>The Company does not follow any benchmark. Accordingly, the portfolio of investments held by the Company will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Company's shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of shareholders).</p>	<p>The Manager has in place a dedicated investment management process which is designed to maximise the chances of the investment objective being achieved. The Board reviews regular investment and financial reports from the Manager to monitor this.</p>	

Risk	Mitigation	Movement
Size of Company		
<p>The Company has in place an annual redemption facility, whereby shareholders can voluntarily tender their shares. However, a significant take-up of this option by shareholders could decrease the size of the Company, in a similar manner to share buy-backs.</p> <p>A decrease in the number of shares in issue or market capitalisation may result in the Company becoming too small to be attractive to a wide audience of investors, potentially leading to lower stock market liquidity and a wider share price discount.</p>	<p>The Board has discretion under the Articles of Association in respect of the operation of the Redemption Facility. This includes the discretion to elect not to operate the facility on any given redemption point or to decline in whole or in part any redemption requests, although to date all redemption requests have been accepted by the Company.</p> <p>The Manager and, on occasion, the Directors, maintain frequent dialogue with shareholders through scheduled meetings. The Board receive regular updates from the Manager and Broker on market conditions, the Company's performance and general shareholder sentiment.</p>	
A lesser portfolio weighting within the mainstream indices		
<p>The Company invests primarily in quoted UK companies across a wide range of market capitalisations, and a broad range of industry sectors. Most AIM-listed stocks in the Trust's portfolio for example, can be expected to operate over a narrower range of products, to have a more restricted depth of management, no weighting in the mainstream indices and the markets in their shares are routinely less liquid. The industry sector weightings of the Trust's portfolio can also differ substantially from those of the mainstream indices. When a large percentage of the Trust's portfolio is invested outside the stocks and industry sectors of the mainstream indices, then its return profile can differ significantly, sometimes for several years sequentially.</p>	<p>It is intentional that the Trust's returns profile differs from the mainstream indices, as over the longer term it has greater potential to outperform markedly. The additional stock specific risks and greater variance within industry sector weightings can be moderated by diversifying the number of portfolio holdings. Thus the Trust's holds a wider spread of individual investments than most others in the Peer Group, achieved through limiting the size of new holdings to typically no more than 1.5% of the portfolio at the time of purchase. Alongside, even though the portfolio may have exposure to certain industry sectors that are less represented within the mainstream indices, this risk will be spread across numerous different holdings.</p>	

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk	Mitigation	Movement
<div style="display: flex; justify-content: space-between; align-items: center;"> Dividend cover  </div>		
<p>The Company's investment objective includes the aim of providing shareholders with an attractive and growing dividend. There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors, including the level of dividends earned from the portfolio and the net revenue profits available for that purpose.</p> <p>The redemption of shares pursuant to the redemption facility may also reduce distributable reserves to the extent that the Company is unable to pay dividends.</p>	<p>The Company maintains accounting records and produces forecasts, with the objective of ensuring that the Company will have sufficient distributable reserves to meet its dividend objective.</p> <p>Portfolio dividend income is carefully monitored and there remain sufficient revenue reserves to provide resilience for the Trust in maintaining its dividend policy.</p>	
<div style="display: flex; justify-content: space-between; align-items: center;"> Share price volatility, the discount and marketability  </div>		
<p>The market price of the Company's shares, like shares in all investment companies, may fluctuate independently of the NAV and thus may not reflect the underlying NAV of the shares. The shares could trade at a discount or premium to NAV at different times, depending on factors such as supply and demand for the shares, market conditions and general investor sentiment.</p> <p>The portfolio of investments is subject to market movements influenced by external economic factors such as inflation, supply chain pressures and political instability.</p>	<p>The Company has in place an annual redemption facility whereby shareholders can voluntarily tender their shares. The Board monitors the relationship between the share price and the NAV. The Company has taken powers to re-purchase shares should there be a sustained imbalance in the supply and demand leading to a discount. The Company has powers to issue shares (only at a premium to NAV) should there be good investment opportunities and the size of the Company has not become too large to continue to meet its objectives.</p>	
<div style="display: flex; justify-content: space-between; align-items: center;"> Key fund management team risk  </div>		
<p>The Company depends on the diligence, skill, judgement and business contacts of the Manager's investment professionals and its future success could depend on the continued service of these individuals.</p>	<p>The Company is managed by a team of two at Premier Miton, Gervais Williams and Martin Turner, and this moderates the key man risk were one or the other to leave Premier Miton's employment. Furthermore, the Company may terminate the Management Agreement should Gervais Williams cease to be an employee of the Manager's group and is not replaced by a person whom the Company considers to be of equal or satisfactory standing within three months of his departure.</p>	

Risk	Mitigation	Movement
Engagement of third party service providers 		
<p>The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function.</p>	<p>The Company operates through a series of contractual relationships with its service providers. These contracts, supported by service level agreements where appropriate, set out the terms on which a service is to be provided to the Company. The Board reviews performance of all the service providers both in the Board meetings and in the Management Engagement Committee meetings, where the terms on which the service providers are engaged are also reviewed. The Board also receives assurance and internal controls reports from key service providers. In addition, the contracts provide the Company with protection in the event of failure to perform by a service provider.</p>	
Major market event, climate change or geo-political risk 		
<p>The Company is exposed to stock market volatility as a result of a major market shock due to a national or global crisis, geo-political developments or the effects of climate change. The impact of such risks, associated with the portfolio or the Company itself, could result in disruption to the operations of the Company, and losses. The Company is exposed to stock market volatility as a result of a major market shock due to a national or global crisis, geo-political developments or the effects of climate change. The impact of such risks, associated with the portfolio or the Company itself, could result in disruption to the operations of the Company, and losses.</p>	<p>The Board is cognisant of its reliance on the operations of the third-party suppliers, including the Manager, to mitigate risks arising from market events, climate change and geo-political developments, such as a global pandemic, Russia's invasion of Ukraine and the ongoing conflict in the Middle East.</p> <p>The Manager carefully researches individual holdings, holds a highly diversified portfolio and has maintained a cautious stance towards the use of gearing. The climate risk exposure is monitored by the Manager. More information is available in the TCFD product report which was published in June 2024.</p>	

SHARE CAPITAL

Current Share Capital

As at the year end, there were 236,393,165 ordinary shares and 50,000 management shares (see note 9 to the financial statements) in issue, representing 99.98% and 0.02% of the total share capital respectively).

Share Redemptions

On 6 June 2023, following the 31 May 2023 redemption point, 37,330,005 ordinary shares were redeemed at a price of 89.35 pence per share and cancelled by the Company.

Valid redemption requests were received under the Company's redemption facility for the 31 May 2024 Redemption Point in relation to 82,147,477 ordinary shares, representing 25.8% of the issued share capital. The Board resolved to effect the redemption requests using the redemption pool method. The 82,147,477 were redeemed and cancelled by the Company on 31 May 2024. Following the year end, the assets of the redemption pool were realised and the redemption price for the 31 May 2024 redemption point was 94.86 pence per redeemed ordinary share.

Purchase of Own Shares

At the AGM held on 17 October 2023, the Directors were granted the authority to buy back up to 47,749,242 ordinary shares. No ordinary shares have been bought back under this authority during the year, nor in prior years. The authority will expire at the next AGM when a resolution for its renewal will be proposed (see page 30 for further information). Any shares bought back under this authority will not be sold from treasury at a price lower than the prevailing NAV at that time.

Treasury Shares

Shares bought back by the Company may be held in treasury, from where they could be re-issued at a premium to NAV quickly and cost effectively. This provides the Company with additional flexibility in the management of its capital base. No shares were purchased for, or held in, treasury during the year or since the year end.

Share Issues

At the AGM held on 17 October 2023, the Directors were granted authority to allot ordinary shares up to an aggregate nominal amount of £31,854 (i.e up to 31,854,064 ordinary shares, representing approximately 10% of the issued ordinary share capital). This authority is due to expire at the Company's AGM on 15 October 2024.

The Company has a block listing of ordinary shares to be listed to the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the LSE's main market.

As at the year end, and as at the date of this Report, 31,929,000 shares remain under the block listing.

Proposals for renewal of the Directors' authority to issue shares are set out on page 30.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

STAKEHOLDER ENGAGEMENT

Background

Directors have a duty to make decisions that promote the success of a company for the benefit of shareholders as a whole. This responsibility is formally enshrined in section 172 of the Companies Act 2006, which stipulates that board decisions must be made with the long-term consequences of those decisions in mind, including consideration of the interests of a company's employees, suppliers, customers and other stakeholders, the impact on the community and the environment, and the desirability of maintaining a reputation for high standards of business conduct.

During the year, the Board has made a number of decisions based on these considerations, such as a formal review of its service providers, detailed further on page 38. The Board also considers stakeholders' interests when discussing performance and investment decisions with the Manager.

Stakeholders

As an investment trust, the Company does not have any employees or customers. Although the Company does have a number of contracts with service providers including with the Manager, the Company Secretary, the Stockbroker, and the Depositary, it has very few suppliers with the principal exception of a number of banks in relation to the Company's bank accounts. In meeting its responsibilities under the Companies Act 2006, the Board makes decisions to promote the success of the Company for the benefit of its shareholders as a whole, in the knowledge that the efficient allocation of capital delivers results for all stakeholders. Successful companies not only generate a return for their investors, but also often create employment, contribute to improved domestic growth and generate additional tax revenues for the government. The Board recognises that effective capital allocation should take account of the Company's responsibilities to the environment in the context of the emerging climate change agenda as well as to the wider community. As such, the Company always strives to meet regulators' requirements. The following section discusses

how the actions taken by and on behalf of the Company work towards ensuring that the interests of all stakeholders are appropriately considered and how those with concerns can most effectively bring them to the attention of the Board. In line with the FRC Guidance in relation to section 172(1) statements, this statement focuses on stakeholders that are considered key to the Company's business and therefore does not cover every stakeholder in the Company.

Shareholders

The Board is committed to maintaining open channels of communication and to engaging with shareholders in a manner which they find most meaningful, in order to ensure that decisions are taken with the views of shareholders in mind. These include:

Annual General Meeting – The Company welcomes and encourages attendance and participation from shareholders at the AGM and looks forward to hosting shareholders again at the 2024 AGM. Shareholders have the opportunity to meet the Directors and the Manager (Premier Portfolio Managers Limited) and to address questions to them directly. There is typically a presentation on the Company's performance and on the future outlook;

Shareholder meetings – Unlike trading companies, shareholders in investment companies often meet with the investment manager rather than with members of the board. Shareholders are able to meet the Manager throughout the period and the Manager provides information on the Company and its performance on the Company's website and via various social medial channels. Feedback from numerous meetings between the Manager and shareholders is shared with the Board. The Chairman, the Chairman of the Audit Committee or other members of the Board are available to meet with shareholders to understand their views on governance and the Company's performance where they wish to do so. With assistance from the Manager, the Chairman seeks meetings with shareholders who might wish to meet with him.

STAKEHOLDER ENGAGEMENT CONTINUED

Publications – The Annual Report and Half-Year results are made available on the Company's website and are circulated to those shareholders requesting hard copies. These reports are designed to provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by a monthly factsheet which is available on the website. Feedback and/or questions the Company receives from shareholders help its reporting to evolve, the aim being to render the reports and updates transparent and understandable;

Shareholder concerns – In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. The Senior Independent Director and other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels; and

Investor relations updates – At every Board meeting, the Directors receive updates from the Company's Stockbrokers, Panmure Liberum Limited, and from the Company Secretary on share trading activity, share price performance, the Company's share register and investor relations.

Manager

Maintaining a close and constructive working relationship with the Manager is crucial to the Board. The Manager's performance is critical for the Company to achieve positive and consistent long-term returns in line with its investment objectives. The Board meets the Manager on a regular basis, both during and outside formal Board meetings, and receives and discusses reports and updates with the Manager when appropriate. Further details on the relationship with the Manager can be found on pages 36 and 37.

Suppliers

The Company relies on a diverse range of reputable advisors for support in meeting its obligations. The Board maintains regular contact with its key external providers, namely the Administrator, the Company Secretary, the Registrar, the Custodian and the Stockbroker, and receives regular reporting

from them. Their advice, as well as their needs and views, are regularly taken into account. The Management Engagement Committee formally assesses the performance of third party suppliers, their fees and continuing appointment on an annual basis, to ensure both that these key service providers continue to function at an acceptable level and that they are appropriately remunerated to deliver the expected level of service. During the year under review, the Management Engagement Committee carried out a formal review and recommended a number of changes including a revised agreement with the Company's Registrar and new fund administration arrangements to take effect in 2025. The Audit Committee reviews and evaluates the financial reporting control environments in place at key service providers.

Regulators

The Company can only operate with the approval of its regulators, who have a legitimate interest in how the Company operates in the market and treats its investors and shareholders. The Company regularly considers the control environment in place to ensure that it meets its various regulatory and statutory obligations.

Environment and Community

Given the outsourced nature of the Company's operations, the Company has very little direct impact on the community or the environment. However, the Manager recognises that it can influence an investee company's approach to Environmental, Social and Governance ("ESG") matters and discusses ESG matters with investee companies on a regular basis. Further information about the Company's approach to environmental, human rights, social and community issues is set out on page 24.

These mechanisms for engaging with stakeholders are kept under review by the Directors and are discussed on a regular basis at Board meetings to ensure that they remain effective. Should shareholders and other stakeholders of the Company wish to contact the Chairman, they can do so by contacting the registered office of the Company or by sending an email for the attention of the Chairman at diverse_cosec@linkgroup.co.uk.

MANAGEMENT, SOCIAL, ENVIRONMENTAL AND DIVERSITY MATTERS

Management Arrangements

The Company appointed Premier Portfolio Managers Limited as its Alternative Investment Fund Manager ("AIFM") and its Manager, following the novation of the Appointment of Manager agreement on 24 April 2020. PPM has been approved as an AIFM by the UK's FCA.

For the year under review, the Manager received a management fee of 0.9% per annum on the average market capitalisation of the Company up to £300m and 0.8% per annum on the average market capitalisation between £300m and £500m and 0.7% per annum on the average market capitalisation above £500m. With effect from 1 June 2024, the Manager receives a management fee of 0.8% per annum on the average market capitalisation of the Company up to £450m and 0.7% per annum on the average market capitalisation above £450m.

In addition to the basic management fee, and for so long as a Redemption Pool (see page 84 for details) is in existence, the Manager is entitled to receive from the Company a fee calculated at the rate of one-twelfth of 1.0% per calendar month of the NAV of the Redemption Pool on the last business day of the relevant calendar month.

In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year, 75% of the management fee payable is charged to capital and the remaining 25% to revenue.

The Management Agreement is terminable by either the Manager or the Company giving to the other not less than 12 months' written notice. The Management Agreement may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including the liquidation of the Manager or appointment of a receiver or administrative receiver over the whole or any substantial part of the assets or undertaking of the Manager or a material breach by the Manager of the Management Agreement which is not remedied. The Company may also terminate the Management Agreement should Gervais Williams cease to be an employee of the Manager's group and is not replaced by a person whom the Company considers to be of equal or satisfactory standing within three months of his departure.

The Company has given certain market standard indemnities in favour of the Manager in respect of the Manager's potential losses in carrying on its responsibilities under the Management Agreement.

The Board appointed Bank of New York Mellon as its Depositary and Custodian under an agreement dated 22 July 2014. The annual fee for Depositary services due to Bank of New York Mellon is 0.02% of gross assets, subject to a minimum fee of £15,000 per annum. The Company and the Depositary may terminate the Depositary Agreement with three months' written notice.

Company secretarial and administrative services are provided by Link Alternative Fund Administrators Limited, under an agreement dated 7 April 2011. This agreement may be terminated by 12 months' written notice subject to provisions for earlier termination as provided therein.

MANAGEMENT, SOCIAL, ENVIRONMENTAL AND DIVERSITY MATTERS CONTINUED

Continuing Appointment of the Manager

The Board keeps the performance of the Manager under continual review, and the Management Engagement Committee conducts an annual appraisal of the Manager's performance, and makes a recommendation to the Board about the continuing appointment of the Manager. It is the opinion of the Directors that the continuing appointment of the Manager is in the interests of shareholders as a whole. The reason for this view is that the Manager has executed the investment strategy according to the Board's expectations.

The Directors also believe that by paying the management fee calculated on a market capitalisation basis, rather than a percentage of assets basis, the interests of the Manager are more closely aligned with those of shareholders.

Environmental, Human Rights, Employee, Social and Community Issues

Since the Company does not have any employees, the day-to-day management of these areas is delegated to the Manager. As an investment trust, the Company has no direct impact on the community or the environment, and as such has no environmental, human rights, social or community policies.

ESG factors are central to the investment process as misjudgements on these matters can incur major additional costs to the portfolio holdings, as well as undermining their equity return through reputational damage. In company meetings, the Manager routinely questions the corporate management on a variety of topics, such as safety records and the make-up of their board papers, to ensure companies are adhering to best practice. These questions can be quite wide ranging. For example, the Manager has raised issues ranging from the use of antibiotics in livestock, to how individual companies monitor the working conditions in the overseas plants of their suppliers.

Diversity

The Board of Directors of the Company comprises two female and three male Directors.

The Company's Diversity Policy acknowledges the benefits of greater diversity, including gender diversity, and the Board remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. Details of the Company's Diversity Policy and the Company's reporting against the UK Listing Rule requirements are set out on pages 35 and 36.

In the year under review, the Board agreed to change certain Committee Chair and the Senior Independent Director roles and consequently Caroline Kemsley-Pein was appointed as the Senior Independent Director, taking on the role from Calum Thomson. Calum remains in his role as Chair of the Audit Committee. Michelle McGrade was appointed as Chair of the Management Engagement Committee and the Nomination Committee, taking on the roles from Caroline Kemsley-Pein.

The Strategic Report has been approved by the Board of Directors.

On behalf of the Board

Andrew Bell Chairman

19 August 2024

DIRECTORS (ALL NON-EXECUTIVE)



Andrew Bell (Chairman of the Board)

Andrew Bell has a depth of experience both as a non-executive director of investment trusts and in the role of chairman. He is currently a director and the CEO of Witan Investment Trust plc. Prior to this, his experience included positions at Barclays de Zoete Wedd, Credit Suisse First Boston, and Carr Sheppards Crosthwaite where he spent 10 years as head of research and strategy. Andrew was previously a non-executive director of Henderson High Income Trust plc and Framlington Innovative Growth Trust plc, where he also chaired the audit committee for a period, and Gabelli Value Plus+ Trust plc, where he was chairman from its launch in 2015 to 2018. Andrew was also a director of The Association of Investment Companies from 2005 to 2015 and held the position of chairman for the last two years of his appointment. Appointed as a Director on 1 January 2019 and as Board Chairman on 14 October 2020.



Charles Crole

Charles Crole has over 35 years of executive experience in the asset management sector across a range of fund management responsibilities. He is currently head of Institutional at Guinness Global Investors Ltd. He previously served as the Chairman of the Investment Committee of MacRobert Trust and as a non-executive director of Jupiter Green Investment Trust Plc. Charles' experience in the asset management sector includes 19 years at Schroder Investment Management Ltd and 12 years at Jupiter Fund Management. In addition, he has held a number of non-executive and trustee roles and is an associate at the Society for Investment Professionals. Appointed as a Director on 1 February 2022.



Caroline Kemsley-Pein (Senior Independent Director)

Caroline Kemsley-Pein is a qualified solicitor and has been advising corporate clients for over 30 years. She is a designated member of Kemsley & Company Solicitors LLP, a specialist corporate and commercial solicitors' practice. Caroline has extensive experience of mergers, acquisitions and disposals of companies and businesses within the UK market, shareholder and joint venture arrangements, corporate restructuring and complex contractual arrangements. Appointed as a Director on 1 January 2019.



Michelle McGrade (Chair of the Management Engagement and Nomination Committees)

Michelle McGrade has a depth of experience across the investment management industry, including asset management and private wealth. Michelle is currently a non-executive director of M&G Securities Ltd (a subsidiary of M&G established to ensure independent oversight of their UK regulated funds) and advisor to the Investment Committee at Wealthify, an online investment platform. Michelle was previously advisor to the Sainsbury's Pension Scheme's Investment Committee, Chief Investment Officer of Virgin Money and Chief Investment Officer of TD Direct Investing, where she was an executive committee member and Chair of the Investment Committee. Appointed as a Director on 10 October 2019.



Calum Thomson (Chairman of the Audit Committee)

Calum Thomson is a qualified chartered accountant with over 30 years' experience in the financial services industry. For 21 years, he was an audit partner at Deloitte LLP, specialising in the asset management sector, with clients including a wide range of managers, investment trusts, banks, sovereign wealth funds, large charities and private equity funds. During his career, Calum has led Deloitte LLP's global and UK asset management groups. He is a non executive director and chairman of the audit committee of AVI Global Trust plc, TPT Retirement Solutions Ltd and Patria Private Equity Trust plc. Appointed as a Director on 20 December 2016.

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31 May 2024.

In accordance with the Companies Act 2006 (as amended), the UK Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' Remuneration Report, Report from the Audit Committee and the Statement of Directors' Responsibilities should be read in conjunction with one another and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. Therefore, a review of the business of the Company, recent events, outlook and likely future developments can be found on pages 2 to 24 and information regarding environmental, social and governance issues can be found on page 24.

Directors

The Directors in office at the date of this report are shown on page 25.

In accordance with the policy adopted by the Board, all Directors will stand for re-election at the forthcoming AGM.

None of the Directors or any persons connected with them had a material interest in the transactions and arrangements of, or the agreement with, the Manager during the year.

Interests in Voting Rights

Information provided to the Company pursuant to the Financial Conduct Authority's DTRs is published on a Regulatory Information Service and on the Company's website.

As at 31 May 2024, the following information has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital. The information provided below was correct at the date of notification; however, the date it was received may not have been within the current financial year. It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

	Number of ordinary shares	% of voting rights*	Nature of holding as per disclosure
Evelyn Partners Limited	34,594,997	10.9	Indirect interest
Investec Wealth & Investment Limited	28,871,227	7.5	Direct interest
Quilter Investors	22,678,573	5.9	Indirect interest
Brewin Dolphin Plc	19,225,322	5.0	Indirect interest
Almitas Capital LLC	15,585,873	4.9	Direct Interest (0.7%), CFD (4.2%)
Merseyside Pension Fund	10,702,500	2.9	Direct interest
M&G Plc	–	–	Disposal of voting rights

Following the year end and as at the date of this Report, the following information has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital.

	Number of ordinary shares	% of voting rights*	Nature of holding as per disclosure
Evelyn Partners Limited	25,979,668	11.0	Indirect interest

* The percentage of voting rights was calculated at the time that the relevant disclosures made in accordance with Rule 5 of the DTRs

Results and Dividends

A summary of the Company's performance during the year and the outlook for the forthcoming year is set out in the Strategic Report on pages 2 to 24.

A final dividend of 1.20p is recommended. The dividends paid or payable in respect of the year ended 31 May 2024 are set out in note 8 on page 72.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in note 18 to the financial statements.

Corporate Governance

The Corporate Governance Statement on pages 33 to 39 forms part of the Report of the Directors.

Going Concern

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. After making enquiries, and bearing in mind the nature of the business and assets of the Company and its subsidiary, DIT Income Services Limited, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have considered the liquidity of the portfolio and the Group's ability to meet obligations as they fall due for a period of at least 12 months from the date that these financial statements were approved.

In making the assessment, the Directors have considered the likely potential impacts of political and economic uncertainty in the UK, global inflationary pressures and global conflicts on the Company's operations and portfolio.

Cash flow projections have been reviewed and show that the Group has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of the dividend policy.

Viability Statement

The Directors have assessed the viability of the Company over a three-year period, taking account of the Company's position and the risks as set out in the Strategic Report. The period assessed balances the long-term aims of the Company, the Board's view that the success of the Company is best assessed over a longer time period and the inherent uncertainty of looking out for too long a period.

The Board consider it appropriate to continue to review the viability of the Company over a three year time period which balances the long term nature of investing against the short term liquidity of the investments.

As part of its assessment of the viability of the Company, the Board has considered the emerging and principal risks and uncertainties and the impact on the Company's portfolio of a significant fall in UK markets. The Directors do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place over the period of this assessment.

To provide this assessment, the Board has considered the Company's financial position and its ability to liquidate its portfolio to meet its expenses or other liabilities as they fall due:

- The Company invests largely in companies listed and traded on stock exchanges. These are actively traded, and whilst perhaps less liquid than larger quoted companies, the portfolio is well diversified by both number of holdings and industry sector.
- The expenses of the Company are predictable and modest in comparison with the assets in the portfolio. There are no commitments that would change that position.

REPORT OF THE DIRECTORS CONTINUED

- The Company has an annual redemption facility whereby shareholders may request that their shares are redeemed at NAV. The Board has considered the possibility that shareholders holding a significant percentage of the Company's shares request redemption. Firstly, the Board has flexibility over the method of redemption so as to avoid disruption to the overall operation of the Company in this situation. Secondly, the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary. The most significant of the Company's expenses vary in proportion to the size of the Company.

In addition to considering the emerging and principal risks on pages 16 to 19 and the financial position of the Company as described above, the Board has also considered the following factors:

- the continuing relevance of the Company's investment objective in the current environment;
- the level of demand for the Company's shares and that since launch, the Company has been able to issue further shares;
- the gearing policy of the Company; and
- that regulation will not increase to such an extent that the costs of running the Company become uneconomical.

During the year, the Board periodically reviews key stress tests, which are provided by the Manager and are based on correlations from defined historical periods to review key sensitivities to pre-determined shocks. The Manager's Funds Risk Committee and Investment Oversight Committee review similar sensitivities or stress tests on a quarterly and monthly basis respectively. Both committees have been satisfied when they last convened that there were no undue risks or sensitivities of concern for the Trust.

Accordingly, the Directors have formed the reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Company Culture

The Company's defined purpose is to deliver our investment objective: to pay shareholders a good and growing dividend income. The Directors believe that this will be facilitated by establishing and maintaining a healthy corporate culture among the Board and in its interaction with the Manager, shareholders and other stakeholders.

The Board strives for its culture to be in line with the Company's purpose, values and strategy. Whilst ensuring that it does not conflict with the investment objective, the Board aims to structure the Company's operations in such a manner that it takes all its stakeholders and the impact of the Company's operations on the environment and community into account.

In addition, the Board promotes and monitors the effective management or mitigation of the risks faced by the Company.

As the Company has no employees and acts through its Board and service providers, its culture is represented by the values and behaviour of those parties. Accordingly, the Board assesses and takes account of the organisational effectiveness of its service providers (including "soft" factors such as openness and teamwork) as well as their regulatory compliance. The Board is responsible for ensuring that the Company's culture is embedded in its day to day operations and it has adopted a number of policies and practices to facilitate this. In recognition of the Company's corporate and social responsibilities and to safeguard the Company's interests, the Board engages with the Company's service providers and other stakeholders. As part of this ongoing monitoring, the Board receives reports from its service providers with respect to their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; equal opportunities and diversity policies; and greenhouse gas and energy use reporting.

Greenhouse Gas Emissions, Task Force on Climate-related Financial Disclosures (TCFD) Reporting and Sustainability Disclosure Requirements (SDR)

The Company has no greenhouse gas emissions to report from its operations (2023: none), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within its underlying investment portfolio. Where a large company does not consume more than 40,000 kWh of energy in a reporting period, it qualifies as a low energy user and is exempt from reporting under these regulations. This exemption applies to the Company.

There is no requirement for disclosures under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK government's policy on Streamlined Energy and Carbon Reporting.

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust with no employees, internal operations or property and, as such, it is exempt from the UK Listing Rules requirement to report against the TCFD framework. However, as a regulated entity, PFM as investment Manager, produces firm and product level TCFD reports, including for this Trust, which are published to its website and can be found at www.diverseincometrust.com/documents/.

The Company does not have explicit sustainability investment objectives or policies and does not intend to seek to apply a sustainability label under the FCA's UK SDR and investment labels regime.

Requirements of the UK Listing Rules

UK Listing Rule 6.6.4 requires the Company to include specified information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to UK Listing Rule 6.6.1.

Audit Information

The Directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

BDO LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its reappointment and to authorise the Audit Committee to agree its remuneration will be proposed at the forthcoming AGM.

Annual General Meeting

The Notice of the AGM to be held on 15 October 2024 (the "Notice") is set out on pages 89 to 94.

Shareholders are being asked to vote on various items of business, being:

- the receipt and adoption of the Strategic Report, the Reports of the Directors and Auditor and the audited financial statements for the year ended 31 May 2024;
- the receipt and approval of the Directors' Remuneration Report;
- the re-election of Directors;
- the re-appointment of BDO LLP as Auditor and the authorisation of the Audit Committee to determine the remuneration of the Auditor;
- the approval of a final dividend;
- the granting of authorities in relation to the allotment of shares;
- the disapplication of pre-emption rights for certain issues of shares;
- the purchase by the Company of its own shares;

REPORT OF THE DIRECTORS CONTINUED

- the holding of general meetings on not less than 14 clear days' notice; and
- the cancellation of the Company's share premium account.

Resolutions 1 to 11 will be proposed as ordinary resolutions and Resolutions 12 to 15 will be proposed as special resolutions.

Authority to Issue Shares and Disapplication of Pre-Emption Rights

An ordinary resolution to authorise the Directors to allot ordinary shares up to an aggregate nominal amount of £23,639, equal to approximately 10% of the Company's issued ordinary share capital, will be proposed as Resolution 11.

Resolution 12, a special resolution, is being proposed to authorise the Directors to issue ordinary shares for cash and to disapply the pre-emption rights of existing shareholders in relation to issues of ordinary shares under Resolution 11 (being in respect of up to 10% of the Company's issued share capital as at the date of the Notice). Shares would only be issued at a price at or above the prevailing NAV per share.

As at the date of the Notice, the Company holds no shares in treasury.

These authorities, if approved by shareholders, will expire at the AGM to be held in 2025, when resolutions for their renewal will be proposed. The Directors will only issue new shares if they believe it would be in the best interests of the Company's shareholders.

Purchase of Own Shares

Resolution 13, a special resolution, will renew the Company's authority to make market purchases of up to 14.99% of the Company's ordinary shares, either for cancellation or placing into treasury at the determination of the Directors. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company. The maximum price which may be paid for an ordinary

share must not be more than the higher of (i) 5% above the average of the mid-market values of the ordinary shares for the five business days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for the ordinary shares. The minimum price which may be paid is 0.1p per ordinary share.

The Directors would use this authority to address any significant imbalance between the supply and demand for the Company's ordinary shares and to manage the discount to NAV at which the ordinary shares trade. Ordinary shares will be repurchased only at prices below the NAV per ordinary share, which should have the effect of increasing the NAV per ordinary share for remaining shareholders.

This authority will expire at the AGM to be held in 2025 when a resolution to renew the authority will be proposed.

Notice Period for General Meetings

Resolution 14 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's AGM to be held in 2025, at which it is intended that renewal will be sought. The Company will have to offer facilities for all shareholders to vote by electronic means for any general meeting convened on 14 days' notice. The Directors will only call a general meeting on 14 days' notice where they consider it to be in the interests of shareholders to do so and the relevant matter is required to be dealt with expediently.

Cancellation of share premium account

Resolution 15, a special resolution, is proposed to cancel the entire amount standing to the credit of the Company's share premium account (the "Share Premium Account"). The cancellation of the Share Premium Account is proposed to be completed by means of a Court-approved capital reduction as described below (the "Capital Reduction") subject to the passing of Resolution 15.

Background to the Capital Reduction

The Share Premium Account currently stands at £197,039,814.60. The reserves represented by the Share Premium Account can only be used for very limited applications and cannot, for example, be used to pay dividends or be applied against future buybacks. By cancelling the amount standing to the credit of the reserve through the Capital Reduction, the Company will increase its distributable reserves which can be used for the future payment of dividends to shareholders or to carry out share buybacks should it be desirable to do so.

On completion of the Capital Reduction, the Company's entire Share Premium Account will be cancelled and, subject to the Court being satisfied with the Company's approach to creditors as outlined below, an equivalent amount will be added to the Company's distributable reserves. The completion of the Capital Reduction will not affect the rights attaching to the ordinary shares and will not result in any change to the number of ordinary shares in issue. Neither will the Capital Reduction involve a return of capital to shareholders nor any reduction in the Company's net assets.

Procedure for completing the Capital Reduction

The Company must obtain shareholders' consent in order to implement the Capital Reduction. Resolution 15, as contained in the Notice, will (subject to confirmation of the Court) cancel the amount standing to the credit of the Share Premium Account.

The Company is not restricted in any way by the Articles from carrying out the Capital Reduction and is, therefore, seeking approval of its shareholders to the Capital Reduction pursuant to Resolution 15 at the AGM.

The Company intends that an application will be made for the Court to approve the Capital Reduction as soon as reasonably practicable after the Annual General Meeting, provided that Resolution 15 is passed as a special resolution. The

Capital Reduction will take effect when an order of the Court confirming the Capital Reduction, and a statement of capital approved by the Court, have been registered with the Registrar of Companies.

In considering the Company's application for the Court Order, the Court will need to be satisfied that the interests of any creditors (including contingent creditors) of the Company, whose debts remain outstanding on the date on which the Court Order is registered, are not prejudiced by the Capital Reduction. The Directors intend to take such steps to satisfy the Court in this regard as they consider appropriate.

Provided that the Capital Reduction is approved by shareholders and the Court, and subject to any direction given by the Court in confirming the Capital Reduction and/or the terms of any undertaking given by the Company in relation to the reserve which arises, the amount standing to the credit of the Share Premium Account so cancelled will be credited to a distributable reserve of the Company. The distributable reserve so created would then be available to be applied towards the future payment of dividends and for the purposes of future share buybacks.

If the special resolution to approve the Capital Reduction is not passed by the requisite majority of shareholders at the AGM or Court approval is not obtained, the Capital Reduction will not proceed. The Directors also retain the right not to proceed with the Capital Reduction, at their sole discretion, in circumstances where they consider that to do so would be inappropriate or inadvisable or no longer in the best interests of shareholders, including where any unforeseen event arises or in circumstances where the Court imposes conditions on the confirmation of the Capital Reduction that are not satisfactory to the Company. In these circumstances the distributable reserve intended to be created by the Capital Reduction will not be available for use by the Company for the purposes described above.

REPORT OF THE DIRECTORS CONTINUED

Recommendation

Full details of the above resolutions are contained in the Notice.

The Directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole.

The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Other Information

Information on future developments, the share capital and financial risks is detailed in the Strategic Report and the Shareholder Information on pages 85 and 86.

By order of the Board

Link Alternative Fund Administrators Limited
Secretary

19 August 2024

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement forms part of the Report of the Directors.

The Company is committed to maintaining high standards of corporate governance and the Board is accountable to shareholders for the governance of the Group's affairs.

Statement of Compliance

The Board of Directors has considered the principles and recommendations of the AIC Code of Corporate Governance for Investment Companies ("AIC Code") published in February 2019. The AIC Code addresses all the principles set out in of the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to shareholders.

The FRC, the UK's independent regulator for corporate reporting and governance responsible for the UK Code, has endorsed the AIC Code. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Code and the related disclosure requirements contained in the UK Listing Rules.

A copy of the AIC Code can be obtained via the AIC website, www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board of Directors

The Board consists entirely of non-executive Directors and has no employees.

Under the leadership of the Chairman, the Board is responsible for all matters of direction and control of the Company and its subsidiary, including its investment policy and strategy, and no one individual has unfettered powers of decision. The Articles of Association may only be amended by way of a special resolution of shareholders. The Directors possess a wide range of business and financial expertise relevant to the direction of the Company and consider that they commit sufficient time to the Company's affairs. Brief biographical details of the Directors, including details of their significant commitments, can be found on page 25.

None of the Directors has a service contract, but letters of appointment setting out the terms of their appointment are in place. Directors are not entitled to any compensation for loss of office. Copies of the letters of appointment are available on request from the Secretary and will be available at the AGM.

The Board has adopted a Diversity Policy, which acknowledges the benefits of greater diversity, including gender and ethnic diversity, and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. Whilst the Board does not feel that it would be appropriate to set targets as all appointments are made on merit, the following objectives for the appointment of Directors have been established:

- all Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective; and
- long lists of potential non-executive Directors should include diverse candidates of appropriate merit.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Chairman

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He promotes a culture of openness and debate and facilitates constructive Board relations and the effective contribution of all Directors. In liaison with the Company Secretary, he ensures that the Directors receive accurate, timely and clear information.

The Board continually monitors the independence of the Chairman. The current Chairman, Andrew Bell, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. Mr Bell considers himself to have sufficient time to commit to the Company's affairs.

Senior Independent Director

Ms Kemsley-Pein was appointed to the role of Senior Independent Director on 20 May 2024. She provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors. In the event the Company experiences a period of stress, the Senior Independent Director would work with the Chairman, the other Directors and/or shareholders to resolve any issues.

The role and responsibilities of the Chairman and the Senior Independent Director are clearly defined and set out in writing, copies of which are available on the Company's website.

Board Operation

The Directors meet at regular Board meetings, held at least four times a year, with additional meetings arranged as necessary. During the year to 31 May 2024, the number of Board and Committee meetings attended by each Director were as follows:

	Scheduled Board meetings		Audit Committee meetings		Management Engagement Committee meetings		Nomination Committee meeting	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Andrew Bell	4	4	2	2	2	2	1	1
Charles Crole	4	4	2	2	2	2	1	1
Caroline Kemsley-Pein	4	4	2	2	2	2	1	1
Michelle McGrade	4	4	2	2	2	2	1	1
Calum Thomson	4	4	2	2	2	2	1	1

No meetings of the Disclosure Committee were held during the year.

In addition to the scheduled Board meetings detailed above, the Board held a number of further ad hoc meetings to discuss matters such as the redemption point and general strategy.

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense.

The Company has arranged a Directors' and Officers' liability insurance policy which includes cover for legal expenses. The Company has provided each of the Directors of the Company, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with the discharge of their duties as a Director. The indemnity also covers reasonable legal and other defence expenses, although these would have to be repaid in the event of a conviction. Deeds of Indemnity in favour of each of the Directors were executed on behalf of the Company on their appointment. There are no other qualifying third party indemnity provisions in place.

Board Evaluation

The Directors are aware that they need to continually monitor and improve performance and recognise this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness. The Board has therefore opted to undertake an internal performance evaluation by way of questionnaires specifically designed to assess the strengths and independence of the Board and the Chairman, individual Directors and the performance of its Committees. The questionnaires are also intended to analyse the focus of Board meetings and assess whether they are appropriate, or if any additional information may be required to facilitate Board discussions. Any training needs identified as part of the Board evaluation process are added to the next Board meeting agenda.

The evaluation process was carried out following the year end and was conducted by the Chairman. Caroline Kemsley-Pein, as the Senior Independent Director, led the appraisal of the Chairman.

As a result of the evaluation, the Board considers that it, as a whole, functions effectively and that all of the current Directors provide valuable contributions and have the skills and experience relevant to the future leadership and direction of the Company. During the performance evaluation, each Director's continued commitment to their responsibilities and their ability to devote the necessary time and effort to understand the Company's activities, objectives and risks was assessed. All Directors were deemed to demonstrate sufficient commitment and to devote sufficient time to their responsibilities. The Board acknowledges that some of its Directors have a number of external appointments and this is kept under close review. The majority of these appointments are non-executive positions at

investment trusts and as the Directors are seen to be responsive and demonstrate that they have sufficient time to fulfill their obligations to the Company, the Board welcomes the experience that these external appointments bring. The Board therefore believes that it is in the best interests of shareholders that each of the Directors is re-elected.

Independence of Directors

In accordance with the AIC Code, the Board has reviewed the independent status of each individual Director and the Board as a whole. In the Board's opinion, all Directors are considered to be independent of the Manager in both character and judgement.

The Board has reviewed and affirmed Michelle McGrade's independence, in consideration of her role as a non-executive director of M&G Securities Ltd (MGSL), a subsidiary of M&G plc. Previously, M&G plc held a significant share in the Trust, for which MGSL had no oversight or investment responsibility, but the holding was divested by M&G plc during the financial year under review.

The Board is of the view that, having reviewed all required factors, all Directors met, and continue to meet, the independence criteria set out in the AIC Code.

The Board's policy on diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, with diversity of thinking, background and perspective.

Appointments to the Board are made on merit against objective criteria, having regard to the benefits of diversity and the current and future needs of the business and the other factors set out in the AIC Code.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Diversity, including, but not limited to, gender, social background, ethnicity, age, sexual orientation, disability and professional and industry specific knowledge, is an important consideration in ensuring that the Board and its committees have the right balance of skills, experience, independence and knowledge necessary to discharge their responsibilities. The Board notes the FCA rules on diversity and inclusion on company boards, namely, that:

- At least 40% of individuals on the Board to be women;
- At least one of the senior Board positions to be held by a woman (such as Chair, Senior Independent Director, Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”)); and
- At least one individual on the Board to be from a minority ethnic background.

In accordance with UK Listing Rule 6 Annex 1, the below tables, in prescribed format, show the gender and ethnic background of the Directors at the date of this Report.

Gender Diversity:

Gender identity or sex	Number of Board members	Percentage on the Board	Number of senior positions on the Board [†]
Men	3	60%	1 [†]
Women	2	40%	1 [†]
Not specified/prefer not to say	–	–	–

Ethnic background:

	Number of Board members	Percentage on the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	5	100%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

[†] Senior positions specified by the UK Listing Rules are CEO, CFO, senior independent director, and chair.

[‡] As the Company is managed externally, and there are no executive roles, the Company only has two of the senior roles specified by the UK Listing Rules, namely Senior Independent Director and Chair, the former occupied by a woman and the latter by a man. However, the Company considers that the Chair of the Audit Committee is a senior position, this role is currently carried out by a man.

The data in the above tables was collected through self-reporting by the Directors.

As at 31 May 2024 the Board comprised of five members. The gender breakdown is as follows: 2 female (40%); 3 male (60%). The ethnic diversity target (that at least one individual on the Board is from a minority ethnic background) has not been met. Whilst the Board does not feel that it would be appropriate to set targets as all appointments must be made on merit, the Board supports the recommendations for senior positions to be held by female directors and ethnic representation on the Board, and both of these factors are key considerations in succession planning.

Election/re-election of Directors

Under the Company’s Articles of Association and in accordance with the AIC Code, Directors are required to retire at the first AGM following their appointment. Thereafter, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company’s AGMs. This is in line with the recommendations of the AIC Code. The maximum length of service for any Director, including the Chairman, will be nine years following first election.

Board Responsibilities and Relationship with the Manager

The Board is responsible for the determination and implementation of the Company’s investment policy and strategy and has overall responsibility for the Company’s activities, including the review of investment activity and performance, control and supervision of the Manager. The Board’s main roles are to create value for shareholders, to provide leadership to the Company and to approve the Company’s strategic objectives. The Board has adopted a schedule of matters reserved for decision by the Board, and specific responsibilities include: reviewing the Company’s investments, asset allocation, gearing policy, cash management, Peer Group performance, investment outlook and revenue forecasts and outlook. This schedule is reviewed regularly and is made available on the Company’s website.

The Company's day-to-day functions have been subcontracted to a number of service providers, each engaged under separate legal agreements. The management of the Group's assets has been delegated to the Manager which has discretion to manage the assets in accordance with the Company's investment objective and policy.

At each Board meeting the Directors follow a formal agenda, which is circulated in advance by the Secretary. The Secretary and Manager regularly provide financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

At each Board meeting, a representative from the Manager is in attendance to present verbal and written reports covering the Company's activity, portfolio and investment performance over the preceding period. Ongoing communication with the Board is maintained between formal meetings. The Board and the Manager operate in a fully supportive, co-operative and open environment.

Conflicts of Interest

The Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Group. A formal system is in place for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations.

Board Committees

During the year, the Company had three Committees in operation, the Audit Committee, the Management Engagement Committee and the Nomination Committee. Given the size of the Board, it is not felt appropriate for the Company to have a separate remuneration committee. The functions that would normally be carried out by this committee are dealt with by the full Board.

The terms of reference of the Committees are available on the Company's website at www.diverseincometrust.com.

Audit Committee

The Audit Committee comprises all Directors and is chaired by Calum Thomson. Andrew Bell, the Company's Chairman, is a member of the Audit Committee. His membership of the Audit Committee is considered appropriate given the small size of the Board and the Chairman's knowledge of the financial services industry. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee and competence relevant to the investment trust sector. Mr Thomson is a qualified accountant with over 25 years' experience in the financial services industry.

A Report from the Chairman of the Audit Committee is set out on pages 40 to 42.

Management Engagement Committee

The Management Engagement Committee comprises all the Directors and has been chaired by Michelle McGrade since 20 May 2024. The Committee meets at least once a year to review the performance of the Manager's obligations under the Management Agreement and to consider any variation to the terms of the agreement, and reports its findings to the Board. The Committee met twice during the year to consider the performance of the Manager and other service providers over the preceding financial period.

In reaching its recommendation to the Board about the continuing appointment of the Manager, the Committee's deliberations include consideration of the fee basis for other companies in the Peer Group, the performance of the Company against its Peer Group, the share volatility against that of other companies in the Peer Group and shareholder feedback (see Continuing Appointment of the Manager on page 24).

CORPORATE GOVERNANCE STATEMENT CONTINUED

The Management Engagement Committee also reviews annually the performance of the Secretary, the Depositary, the Custodian and the Registrar and any matters concerning their respective agreements with the Company. Further to this review during the year, the Committee recommended a number of changes including a change of Fund Administrator to take effect in 2025 and revised terms to the Registrar agreement.

Nomination Committee

The Nomination Committee comprises all Directors, as all are non-executive and considered independent. The Nomination Committee has been chaired by Michelle McGrade since 20 May 2024. The Committee considers succession planning and leads the process for new appointments, considering the skills, knowledge, experience and diversity required for the Board. The Committee meets at least once a year.

Stewardship Responsibilities and the Use of Voting Rights

The Board delegates the day-to-day responsibilities regarding the engagement with investee companies to the Company's Manager. However, the Board retains oversight of this process through regular updates from the Manager on its engagement activities, and by reviewing the Manager's stewardship and voting policies.

PPM engages with the Company's underlying investee companies on all areas of ESG, with particular focus on governance. It is becoming ever more prominent that companies that do not display good governance may struggle to access capital in the future, especially at the smaller end of the market cap spectrum. Two areas of focus have been board composition and remuneration, to ensure that boards include members who are suitably qualified and management are being appropriately rewarded for their successes.

Concerning voting, the managers use the independent proxy voting service Institutional Shareholder Service ("ISS") to provide them with research on the proposed resolutions for each investee company. However, they use them in a research capacity only; the final decisions are always taken on an active basis having considered the merits of each on a case-by-case basis.

Company Secretary

The Board has direct access to the advice and services of the Secretary, Link Alternative Fund Administrators Limited, which is responsible for ensuring that the Board and Committee procedures are followed and that applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of the information and reports and that the relevant statutory obligations of the Company are met.

Internal Control Review

The Directors are responsible for the risk management and systems of internal control relating to the Company and its subsidiary, and the reliability of the financial reporting process and for reviewing their effectiveness.

The Directors have reviewed and considered the guidance supplied by the FRC on Risk Management, Internal Control, and Related Finance and Business Reporting and an ongoing process has been established for identifying, evaluating and managing the principal risks faced by the Group. This process, which is regularly reviewed, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of the signing of this Report. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded. The risk management process and Group systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the Group's risk management and internal control systems as they have operated over the period and up to the date of approval of the report and financial statements. There were no matters arising from this review that required further investigation and no significant failings or weakness were identified.

Internal Control Assessment Process

Regular risk assessments and reviews of internal controls are undertaken in the context of the Company's overall investment objective. The Board, through the Audit Committee, has identified risk management controls in four key areas: corporate strategy; published information and compliance with laws and regulations; relationships with service providers; and investment and business activities. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company and third parties operating the relevant controls.

A risk matrix has been produced against which the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit Committee and at other times as necessary.

The emerging and principal risks that have been identified by the Board are set out on pages 16 to 19.

The Board reviews financial information produced by the Manager and the Administrator on a regular basis.

Most functions for the day-to-day management of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third party suppliers regarding the internal systems and controls operated in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit Committee, together with letters of comfort confirming that those controls were still in operation at the Company's year end.

Shareholder Relations

Communication with shareholders is given a high priority by both the Board and the Manager and the Directors are available to enter into dialogue with shareholders. The Manager and the Company's Stockbroker, Panmure Liberum Limited, are in regular contact with the major institutional investors and report the results of all meetings and the views of those shareholders to the Board on a regular basis. The Chairman and the other Directors are available to attend these meetings with shareholders if required.

All shareholders are encouraged to attend and vote at the AGM, during which the Board and the Manager will be available to discuss issues affecting the Company and answer any questions. Shareholders wishing to communicate directly with the Board or to lodge a question in advance of the AGM should contact the Secretary at the address on page 101 or by emailing diverse_cosec@linkgroup.co.uk. The Company always responds to letters from shareholders.

The Annual and Half-Yearly Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance. Copies are released to the London Stock Exchange, dispatched to shareholders and are also available from the Secretary or by downloading from the Company's website, www.diverseincometrust.com.

AUDIT COMMITTEE REPORT

I am pleased to present the Audit Committee Report for the year ended 31 May 2024.

Role of the Audit Committee

The primary responsibilities of the Audit Committee are:

- to monitor the integrity of the financial statements of the Company and the Group, and review the financial reporting process and the accounting policies of the Company;
 - to provide advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
 - to keep under review the effectiveness of the Company's and the Group's internal control environment and risk management systems;
 - to make recommendations to the Board in relation to the re-appointment or removal of the external auditor and to approve its remuneration and terms of engagement, including the provision of any non-audit services;
 - to review the effectiveness of the audit process;
 - to review and monitor the auditor's independence and objectivity; and
 - to report to the Board on how it has discharged its responsibilities.
- agreed the audit plan with the Auditor, including the principal areas of focus, and agreed the audit fee;
 - received and discussed with the Auditor their report on the results of the audit;
 - made recommendations to the Board in relation to the re-appointment of the Auditor;
 - reviewed the Group's financial statements and discussed the appropriateness of the accounting policies adopted;
 - met with the Manager to discuss and challenge the valuation of investments; and
 - Discussed and challenged the Auditor in relation to the impact of movements in the fair market value of the redemption pool.

The Audit Committee has direct access to the Company's Auditor, BDO LLP, and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor attend meetings of the Audit Committee on a regular basis.

Matters Considered in the Year

The Audit Committee met twice during the year under review and once post the year end. It has:

- reviewed the internal controls and risk management systems of the Company and its third party service providers;

The Audit Committee has reviewed and where appropriate, updated the risk matrix. This is done on a six-monthly basis. During the year the Audit Committee considered the size of the Company and reviewed the impact of supply shortages, inflationary pressures, political instability in the UK and global conflicts on the risks identified.

The Audit Committee receives a report on internal controls and compliance from the Manager's Compliance Officer on a six-monthly basis and discusses this with the Manager. The Manager has in place a compliance monitoring plan for testing of controls as an alternative to establishing a separate internal audit function. The Audit Committee also receives reports from the Depositary and Custodian at least once a year. No significant issues or concerns arose from these reports. Reports from the Company's other service providers were also reviewed and no significant matters of concern were identified.

In the light of these reports and controls that are in place, the Audit Committee does not consider that an internal audit function would provide sufficient additional comfort to warrant the extra costs to the Company.

The Audit Committee monitors and reviews the effectiveness of the external audit process for the Annual Report, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor.

The Audit Committee was satisfied with the overall approach to the audit for the year under review. The assessment by the Committee took into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. The Audit Committee also reviews a copy of the latest FRC Audit Quality Inspection Report on the Auditor.

Significant Issue	Mitigation
<p>The valuation and ownership of the investment portfolio.</p>	<p>The Board relies on the Administrator and the Manager to use correct listed prices and seeks comfort in the testing of this process through the internal control statements. This was discussed with the Administrator, Manager and Auditor at the conclusion of the audit of the financial statements.</p> <p>The Audit Committee has also discussed, challenged and agreed with the Manager the use of and approach to the valuation of listed bonds. Regular updates are provided to the Directors about the activities and valuations of any unquoted holdings.</p> <p>The Company uses the services of an independent Depositary (The Bank of New York Mellon (International) Limited) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Audit Committee twice a year.</p>
<p>The allocation of special dividends between revenue and capital.</p>	<p>The Audit Committee has also reviewed and confirmed with the Manager, Administrator and Auditor the treatment of special dividends.</p>
<p>Review of Going Concern and Viability</p>	<p>At each of its meetings, the Audit Committee reviews and discusses a Going Concern assessment paper provided by the Manager. The paper sets out the key reasons why the Going Concern assumption is applicable to the Company and is accompanied by revenue forecasts and liquidity analysis. In addition, the Board considers this paper twice a year, in quarters where no Audit Committee is being held. The viability assessment is reviewed by the Audit Committee and in particular the underlying assumptions are subjected to sensitivity analysis.</p>

AUDIT COMMITTEE REPORT CONTINUED

Following the consideration of the above matters and its detailed review, the Audit Committee was of the opinion that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit Fees and Non-Audit Services

An audit fee of £61,680 (inclusive of VAT) has been agreed in respect of the audit for the year ended 31 May 2024 (2023: £60,000 inclusive of VAT).

In relation to non-audit services, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that Auditor independence and objectivity are safeguarded. No non-audit fees were paid to BDO LLP in the year (2023: none).

Independence and Objectivity of the Auditor

The Audit Committee has considered the independence and objectivity of the Auditor. No non-audit services have been provided by the Auditor. Given that the Board has indicated that it is unlikely to carry out any further C share issues, the level of non-audit fees is likely to remain low in the future. Following its review of the independence of the Auditor, the Audit Committee has been reassured that no conflicts have arisen during the year.

BDO LLP were appointed as Auditor to the Company at the 2020 AGM. Vanessa-Jayne Bradley has acted as the Audit Partner since BDO LLP's appointment and is due to rotate following the sign-off of the audit for the year ended 31 May 2024.

Audit Tender

The Company last carried out an audit tender during 2020, following which BDO LLP was appointed as Auditor.

Following consideration of the performance of the Auditor, the quality of the external audit and the service provided during the year and a review of their independence and objectivity, the Audit Committee has recommended to the Board the re-appointment of BDO LLP as Auditor to the Company.

Calum Thomson

Audit Committee Chairman

19 August 2024

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report in accordance with the requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution for the approval of the Directors' Remuneration Report will be put to shareholders at the forthcoming AGM.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 49 to 57.

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 31 May 2024.

Given the size of the Board, it is not considered appropriate for the Company to have a separate remuneration committee and the functions of this committee are therefore carried out by the Board as a whole. The Board consists entirely of independent non-executive Directors and the Company has no employees. We have not, therefore, reported on those aspects of remuneration that relate to executive Directors.

Directors' fees were last increased on 1 June 2023. Following an annual review of Directors' fees against those of the Company's Peer Group and the average for similar-sized investment trusts, the Board has agreed that the Chairman's fee will increase to £44,500 per annum, the Audit Committee Chairman's fee to £36,500 per annum and the fee for the other Directors to £32,000 per annum, to align them with current market levels and taking inflation into account. These changes, which are an overall increase of 1.3%, took effect from 1 June 2024.

There will be no significant change in the way the Remuneration Policy will be implemented in the course of the next financial year.

Directors' Remuneration Policy

A resolution to approve this Remuneration Policy which was last approved at the AGM of the Company on 17 October 2023. The resolution was passed, and the policy provisions set out below will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or the Remuneration Policy is varied, in which event shareholder approval for the new Remuneration Policy will be sought.

The Board's policy is that remuneration of non-executive Directors should reflect the experience of the Board as a whole and is determined by reference to comparable organisations and appointments.

The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs.

The fees for the non-executive Directors are determined within the limits (not to exceed £500,000 per year in aggregate) set out in the Company's Articles of Association, or any greater sum that may be determined by ordinary resolutions of the Company. The Chairman does not participate in any discussions relating to his own fee, which is determined by the other independent Directors. Directors are not eligible for bonuses, share options or long-term incentive schemes or other performance-related benefits, as the Board does not believe that this is appropriate for non-executive Directors. There are no pension arrangements in place for the Directors of the Company.

DIRECTORS' REMUNERATION REPORT CONTINUED

Under the Company's Articles of Association, if any Director is called upon to perform extra or special services of any kind, they shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration they may be entitled to receive.

Directors are entitled to be paid all expenses properly incurred in attending Board or shareholder meetings or otherwise in or with a view to the performance of their duties.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Component	Director	Rate at 1 June 2024	Purpose of Remuneration
Annual fee	Chairman	£44,500	Commitment as Chairman ¹
Annual fee	Non-executive Directors	£32,000	Commitment as a non-executive Director ²
Additional fee	Chairman of the Audit Committee	£4,500	For additional responsibilities and time commitments ³
Annual fee	Senior Independent Director	£nil	
Additional fee	All Directors	Discretionary	For extra or special services performed in their role as a Director ⁴
Expenses	All Directors	N/A	Reimbursement of expenses incurred in the performance of duties as a Director

¹ The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors to reflect the more onerous role.

² The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £500,000 per annum.

³ The Company's policy is for the Chairman of the Audit Committee to be paid a higher fee than the other Directors to reflect the more onerous role.

⁴ Additional fees would only be paid in exceptional circumstances in relation to the performance of extra or special services.

No other additional fees are payable for membership of the Board's committees.

Fees for any new Director appointed will be on the above basis. Fees payable in respect of subsequent periods will be determined following an annual review. Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board.

It is the Board's policy that Directors do not have service contracts, but Directors are provided with a letter of appointment as a non-executive Director.

The terms of their appointment provide that Directors shall retire and be subject to election at the first AGM after their appointment. Thereafter, they will be subject to annual re-election. Compensation will not be made upon early termination of appointment.

Remuneration Report

Directors' Fees for the Period (audited)

The Directors who served in the year received the following emoluments.

	Year ended 31 May 2024			Year ended 31 May 2023			Percentage change*			
	Fees £	Expenses £	Total £	Fees £	Expenses £	Total £	2023 – 2024	2022 – 2023	2021 – 2022	2020 – 2021
Andrew Bell (Chairman) ¹	44,000	–	44,000	42,500	–	42,500	3.5	4.9	17.5	25.2
Charles Crole ²	31,600	–	31,600	30,500	–	30,500	3.6	5.2	N/A	N/A
Caroline Kemsley-Pein	31,600	–	31,600	30,500	–	30,500	3.6	5.2	5.3	–
Michelle McGrade	31,600	–	31,600	30,500	–	30,500	3.6	5.2	5.3	–
Calum Thomson	35,950	–	35,950	34,700	–	34,700	3.6	5.2	5.1	–
	174,750	–	174,750	168,700	–	168,700				

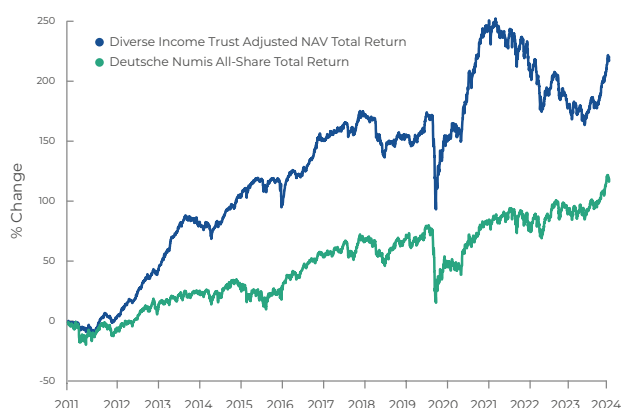
* The annual percentage change is provided on a full year basis in respect of new appointments to the Board in order to provide a meaningful figure.

¹ Appointed as a Chairman on 14 October 2020.

² Appointed as a Director on 1 February 2022.

Company Performance

The Company does not have a specific benchmark against which performance is measured. The graph below compares the total return (assuming all dividends are reinvested) to holders of ordinary shares since they were first admitted to the Official List of the FCA, compared to the total shareholder return of the Deutsche Numis All-Share Total Return Index, which is the closest broad index against which to measure the Company's performance.



Source: Morningstar

Relative Importance of Spend on Pay

The table below shows the amount spent on pay.

	2024 £000	2023 £000	Change
Total remuneration paid to Directors	175	169	3.6%
Investment Management fee	2,365	2,931	(19.3%)
Distribution to shareholders:			
– dividends	13,219	14,235	(7.1%)
– share buyback/redemption	33,354	6,676	399.6%

Note: the items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20 with the exception of the investment management fee, which has been included because the Directors believe it will help shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in note 3 to the financial statements. The amounts spent on the redemption of shares are included in line with the GC100 and Investor Group guidance, as this is considered a significant payment. The figures for this measure are the same as those shown in the Consolidated Statement of Changes in Equity and Cash Flow Statement.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Beneficial and Family Interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company.

The interests of the Directors and their families in the ordinary shares of the Company as at 31 May 2024 are set out below:

	At 31 May 2024 Number of ordinary shares	At 31 May 2023 Number of ordinary shares
Andrew Bell (Chairman)	250,000	200,000
Charles Crole	31,936	19,936
Caroline Kemsley-Pein	52,458	52,458
Michelle McGrade	63,616	63,616
Calum Thomson	53,591	53,591

There have been no changes to Directors' interests between 31 May 2024 and the date of this Report.

Voting at Annual General Meeting

The Directors' Remuneration Report for the year ended 31 May 2023 was approved by shareholders at the AGM held on 17 October 2023. The Remuneration Policy was also last approved by shareholders at the AGM held on 17 October 2023. The votes cast by proxy were as follows:

	Directors' Remuneration Report (AGM 2023)		Directors' Remuneration Policy (AGM 2023)	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	138,790,921	99.73	138,754,952	99.73
Against	364,691	0.26	364,691	0.26
At Chairman's discretion	3,028	0.01	3,028	0.01
Total votes cast	139,158,640	100	139,122,671	100
Number of votes withheld	179,258		215,227	

Approval

The Directors' Remuneration Report was approved by the Board on 19 August 2024.

On behalf of the Board

Andrew Bell
Chairman

19 August 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website has been delegated to the Manager, but the Directors responsibility extends to the ongoing integrity of the financial statements contained therein.

STATEMENT OF DIRECTORS' RESPONSIBILITIES CONTINUED

Directors' responsibilities pursuant to DTR4

Each of the Directors, whose names and functions are listed in the Board of Directors section on page 25 confirm that, to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

In the opinion of the Board, the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Andrew Bell

Chairman

19 August 2024

INDEPENDENT AUDITOR'S REPORT

To the members of The Diverse Trust Plc

Opinion on the financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group and the Parent Company's affairs as at 31 May 2024 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Diverse Income Trust Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Parent Company Statement of Changes in Equity, Consolidated and Parent Company Balance Sheets, Consolidated and Parent Company Cash Flow Statements and notes to the consolidated financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provision of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the members of the Parent Company on 14 October 2020 to audit the financial statements for the year ended 31 May 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years, covering the years ended 31 May 2021 to 31 May 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group and the Parent Company.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the projected management fees for the year to check that it was in line with the current assets under management levels and the projected market growth forecasts for the following year;

- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments; and
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	100% (2023: 100%) of Group revenue 100% (2023: 100%) of Group total assets		
Key audit matters		2024	2023
	Valuation and ownership of quoted investments	✓	✓
	Revenue recognition	✓	✓
Materiality	<i>Group financial statements as a whole</i> £2.3m (2023: £3.2m) based on 1% (2023: 1%) of net assets		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We tailored our audit to ensure we have performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and its accounting processes and controls. The Group is based in the United Kingdom and has one main trading entity, The Diverse Income Trust plc whose principal activity is that of an Investment Trust. The Group has one subsidiary, The Diverse Income Trust Income Services Limited whose principal activity is to invest in listed equities that are held for trading and for the short term. This is not a significant component of the Group. In respect of the non-significant component, the Group engagement team performed testing over subsequent events, going concern, related parties and performed an overall analytical review of the entity.

The Group audit engagement team carried out a full scope audit for the Parent Company.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key audit matter		How the scope of our audit addressed the key audit matter
<p>Valuation and ownership of quoted investments</p> <p>(Notes 1, 11 and 12)</p>	<p>The investment portfolio at the year-end comprised of quoted equity investments held at fair value through profit or loss.</p> <p>We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity.</p> <p>There is a risk that the bid price or closing price for Stock Exchange Electronic Trading Service – quotes and crosses (“SETSqx”) used as a proxy for fair value of investments held at the reporting date is inappropriate. Given the nature of the portfolio is such that it comprises mostly of listed level 1 investments, we do not consider the use of bid price/SETSqx price to be subject to significant estimation uncertainty.</p> <p>There is also a risk of error in the recording of investment holdings such that those recording do not appropriate reflect the property of the Parent Company.</p> <p>For these reasons and the materiality to the financial statements as a whole, they are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.</p>	<p>We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures:</p> <ul style="list-style-type: none"> • Confirmed the year-end bid/SETSqx price was used by agreeing to externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid/ SETSqx price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. <p>Key observations:</p> <p>Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity investments was not appropriate.</p>

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Revenue recognition</p> <p>(Note 1 and 2)</p>	<p>Revenue is a key indicator of performance of the Group, as such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Judgement may be required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason, we considered revenue recognition to be a key audit matter.</p> <p>We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event.</p> <p>We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances, we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature.</p> <p>In addition, we formed our own expectation of dividend income for the whole portfolio using the entity's investment holdings and dividend announcements from independent sources. We vouched a sample of dividend receipts to bank.</p> <p>Key observations: Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2024 £m	2023 £m	2024 £m	2023 £m
Materiality	2.3	3.2	2.3	3.2
Basis for determining materiality	1% of Net assets			
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.			
Performance materiality	1.7	2.4	1.7	2.4
Basis for determining performance materiality	75% of materiality			
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.			

We also determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Group's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £1.4m (2023: £1.5m), based on 10% of Revenue return before tax (2023: 10% of Revenue return before tax). We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £0.7m (2023: £0.7m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Group and the Parent Company's prospects, the period this assessment covers and why the period is appropriate.

Other Code provisions

- Directors' statement on fair, balanced and understandable;
 - Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
 - The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
 - The section describing the work of the Audit Committee.
-

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below:

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
 - certain disclosures of Directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
-

INDEPENDENT AUDITOR'S REPORT CONTINUED

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the Parent Company and the industry in which it operates;
- Discussion with the Investment Manager, the Administrator and those charged with governance; and
- Obtaining and understanding of the Group and the Parent Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Group losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Group was meeting its requirements to retain their Investment Trust Status. This included a review of other qualitative factors and ensuring compliance with these.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls and classification of dividends.

Our procedures in respect of the above included:

- In addressing the risk of classification of dividends, the procedures set out in the key audit matter section in our report were performed;
- In addressing the risk of management override of control, we:
 - Performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
 - Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
 - Reviewed for significant transactions outside the normal course of business; and
 - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities

and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vanessa-Jayne Bradley Senior Statutory Auditor

For and on behalf of BDO LLP
Statutory Auditor
London, UK

19 August 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 May 2024			Year ended 31 May 2023		
		Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Gains/(losses) on investments held at fair value through profit or loss	11	–	30,676	30,676	–	(71,293)	(71,293)
Foreign exchange (losses)/gains		–	(1)	(1)	–	2	2
Losses on derivatives held at fair value through profit or loss	12	–	(848)	(848)	–	(3,907)	(3,907)
Income	2	15,550	–	15,550	16,127	77	16,204
Management fee	3	(591)	(1,774)	(2,365)	(732)	(2,199)	(2,931)
Other expenses	4	(856)	–	(856)	(846)	–	(846)
Return/(loss) on ordinary activities before finance costs and taxation		14,103	28,053	42,156	14,549	(77,320)	(62,771)
Finance costs	5	(4)	(12)	(16)	(11)	(34)	(45)
Return/(loss) on ordinary activities before taxation		14,099	28,041	42,140	14,538	(77,354)	(62,816)
Taxation – irrecoverable withholding tax	6	(195)	–	(195)	(108)	–	(108)
Return/(loss) on ordinary activities after taxation	7	13,904	28,041	41,945	14,430	(77,354)	(62,924)
Return/(loss) per Ordinary share – basic and diluted (pence)	7	4.35	8.77	13.12	4.05	(21.72)	(17.67)

The total column of this statement is the Income Statement of the Company prepared in accordance with UK-adopted international accounting standards. The supplementary revenue return and capital return columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies (“AIC SORP”).

The Directors have applied the exemption under Companies Act 2006 s408 allowing the parent company’s individual income statement to be omitted from the accounts where group accounts have been prepared. The amount of the Company’s return for the financial year is a return after tax of £41,945,000 (2023: loss of £62,924,000).

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no other comprehensive income, and therefore the return on ordinary activities after tax is also the total comprehensive income.

The notes on pages 63 to 83 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 1 June 2023		406	197,039	32	15,699	86,971	16,128	316,275
Total comprehensive income:								
Return for the year		-	-	-	-	28,041	13,904	41,945
Transactions with shareholders recorded directly to equity:								
Redemption of Ordinary shares 2023		-	-	-	(15,699)	(17,655)	-	(33,354)
Redemption of Ordinary shares 2024		-	-	-	-	(77,930)	-	(77,930)
Cancellation of Ordinary shares		(120)	-	120	-	-	-	-
Expenses in relation to share cancellation		-	-	-	-	(4)	-	(4)
Equity dividends paid	8	-	-	-	-	-	(13,219)	(13,219)
As at 31 May 2024		286	197,039	152	-	19,423	16,813	233,713

Group	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 1 June 2022		412	197,039	26	22,378	164,325	15,933	400,113
Total comprehensive income:								
Net (loss)/return for the year		-	-	-	-	(77,354)	14,430	(62,924)
Transactions with shareholders recorded directly to equity:								
Redemption of Ordinary shares		-	-	-	(6,676)	-	-	(6,676)
Cancellation of Ordinary shares		(6)	-	6	-	-	-	-
Expenses in relation to share cancellation		-	-	-	(3)	-	-	(3)
Equity dividends paid	8	-	-	-	-	-	(14,235)	(14,235)
As at 31 May 2023		406	197,039	32	15,699	86,971	16,128	316,275

The notes on pages 63 to 83 form part of these financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Company	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 1 June 2023		406	197,039	32	15,699	86,971	15,232	315,379
Total comprehensive income:								
Net return for the year		-	-	-	-	28,041	13,904	41,945
Transactions with shareholders recorded directly to equity:								
Redemption of Ordinary shares 2023		-	-	-	(15,699)	(17,655)	-	(33,354)
Redemption of Ordinary shares 2024		-	-	-	-	(77,930)	-	(77,930)
Cancellation of Ordinary shares		(120)	-	120	-	-	-	-
Expenses in relation to share cancellation		-	-	-	-	(4)	-	(4)
Equity dividends paid	8	-	-	-	-	-	(13,219)	(13,219)
As at 31 May 2024		286	197,039	152	-	19,423	15,917	232,817

Company	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 1 June 2022		412	197,039	26	22,378	164,325	15,037	399,217
Total comprehensive income:								
Net (loss)/return for the year		-	-	-	-	(77,354)	14,430	(62,924)
Transactions with shareholders recorded directly to equity:								
Redemption of Ordinary shares		-	-	-	(6,676)	-	-	(6,676)
Cancellation of Ordinary shares		(6)	-	6	-	-	-	-
Expenses in relation to share cancellation		-	-	-	(3)	-	-	(3)
Equity dividends paid	8	-	-	-	-	-	(14,235)	(14,235)
As at 31 May 2023		406	197,039	32	15,699	86,971	15,232	315,379

The notes on pages 63 to 83 form part of these financial statements.

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

	Notes	Group 31 May 2024 £000	Group 31 May 2023 £000	Company 31 May 2024 £000	Company 31 May 2023 £000
Non-current assets:					
Investments held at fair value through profit or loss	11	292,692	278,933	292,692	278,933
Current assets:					
Derivative instruments	12	–	848	–	848
Trade and other receivables	15	2,258	2,398	2,258	2,398
Cash and cash equivalents		17,027	34,476	17,027	34,476
		19,285	37,722	19,285	37,722
Current liabilities:					
Trade and other payables	16	(334)	(380)	(1,230)	(1,276)
Redemption Pool liability	9, 16	(77,930)	–	(77,930)	–
		(78,264)	(380)	(79,160)	(1,276)
Net current (liabilities)/assets		(58,979)	37,342	(59,875)	36,446
Total net assets		233,713	316,275	232,817	315,379
Capital and reserves:					
Share capital – Ordinary shares	9	236	356	236	356
Share capital – management shares	9	50	50	50	50
Share premium account		197,039	197,039	197,039	197,039
Capital redemption reserve		152	32	152	32
Special reserve		–	15,699	–	15,699
Capital reserve		19,423	86,971	19,423	86,971
Revenue reserve		16,813	16,128	15,917	15,232
Shareholders' funds		233,713	316,275	232,817	315,379

These financial statements were approved and authorised for issue by the Board of The Diverse Income Trust plc on 19 August 2024 and were signed on its behalf by:

Andrew Bell

Chairman

Company No: 07584303

The notes on pages 63 to 83 form part of these financial statements.

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

	Group 31 May 2024 £000	Group 31 May 2023 £000	Company 31 May 2024 £000	Company 31 May 2023 £000
Operating activities:				
Net return/(loss) before taxation	42,140	(62,816)	42,140	(62,816)
(Gains)/losses on investments and derivatives held at fair value through profit or loss	(29,828)	75,200	(29,828)	75,200
Finance costs	9	53	9	53
Decrease in trade and other receivables	20	342	20	342
Decrease in trade and other payables	(46)	(21)	(46)	(21)
Withholding tax paid	(195)	(108)	(195)	(108)
Net cash inflow from operating activities	12,100	12,650	12,100	12,650
Investing activities:				
Purchase of investments	(55,893)	(51,599)	(55,893)	(51,599)
Sale of investments	72,930	80,123	72,930	80,123
Purchase of derivative instruments	–	(4,364)	–	(4,364)
Sale of derivative instruments	–	2,090	–	2,090
Net cash inflow from investing activities	17,037	26,250	17,037	26,250
Financing activities:				
Cancellation of shares	(33,354)	(6,676)	(33,354)	(6,676)
Expenses in relation to share cancellation	(4)	(3)	(4)	(3)
Revolving credit facility arrangement fee paid	–	(30)	–	(30)
Revolving credit facility non-utilisation fee paid	(9)	(23)	(9)	(23)
Equity dividends paid	(13,219)	(14,235)	(13,219)	(14,235)
Net cash outflow from financing	(46,586)	(20,967)	(46,586)	(20,967)
(Decrease)/increase in cash and cash equivalents	(17,449)	17,933	(17,449)	17,933
Reconciliation of net cash flow movements in funds:				
Cash and cash equivalents at the start of the year	34,476	16,543	34,476	16,543
Net cash (outflow)/inflow from cash and cash equivalents	(17,449)	17,933	(17,449)	17,933
Cash and cash equivalents at the end of the year	17,027	34,476	17,027	34,476
Cash and cash equivalents comprise the following:				
Cash at bank	17,027	34,476	17,027	34,476
	17,027	34,476	17,027	34,476

The notes on pages 63 to 83 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

The Diverse Income Trust plc is a company incorporated and registered in England and Wales. The principal activity of the Company is that of an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the AIC SORP.

Basis of Preparation

The principal accounting policies adopted are set out below. The annual financial statements have also been prepared in accordance with guidance issued by the AIC.

The financial statements are presented in sterling, which is the Group's functional currency as the UK is the primary environment in which it operates, rounded to the nearest £'000, except where otherwise indicated.

Going Concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern based on detailed profit & loss and cash flow forecasts. These forecasts have been 'stressed' for inflation, as well as a severe but plausible and sudden downturn in market conditions under which it is assumed that the investment portfolio will lose 50% of its value. Even under this extreme 'stress' scenario, the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. These have put in place contingency plans in the event of business disruption. The contingency plans and

the viability of service providers are reviewed by the Directors on a regular basis.

In making their assessment, the Directors have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, geopolitical events, the war in Ukraine, the ongoing Israel/Palestine conflict and inflationary pressures. The Directors noted that the Company, with the current cash balance and holding a portfolio of liquid listed investments, is able to meet the obligations of the Company as they fall due.

The Investment Manager assesses the exposure to risk when making each investment decision, monitors cash flows and the performance of the portfolio on a daily basis.

The current cash balance enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Basis of Consolidation

IFRS 10 sets out the principles for the presentation and preparation of consolidated financial statements and establishes a single control model that applies to all entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The Company has made the significant accounting judgement that the Company meets the definition of an investment entity. However, the Company's wholly-owned subsidiary, DIT Income Services Limited, is an extension of the Company through which it provides services that relate to the investment entity's investment activities and the subsidiary is not itself an investment entity. The Group financial statements therefore consolidate the financial statements of the Company and its subsidiary, drawn up to 31 May 2024. The subsidiary is consolidated from the date of acquisition, being the date on which control was obtained, and will continue to be consolidated until the date that such control ceases. Control comprises being exposed, or having rights, to variable returns through its power over the investee. The financial statements of the subsidiary are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own Income Statement. The amount of the Company's return for the financial year, dealt with in the financial statements of the Group, is a profit after tax of £41,945,000 (2023: loss of £62,924,000).

Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business. The Group primarily invests in companies listed in the UK.

Accounting Developments

In the current year, the Company has applied a number of amendments to UK-adopted international standards that are mandatorily effective for an accounting period that begins on or after 1 June 2023.

In accordance with an amendment to IAS1, Presentation of Financial Statements, the Company now discloses its material accounting policy information instead of significant accounting policies. The updates incorporated:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes; and
- IFRS 17 Insurance Contracts.

There are amendments to IAS/IFRS that will apply from 1 June 2024 as follows:

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Non-current liabilities with Covenants (Amendments to IAS 1); and
- Supplier Finance Arrangements – Amendments to IAS7 and IFRS7.

The Company intends to adopt the Standards in the reporting period when they become effective. The adoption of these Standards impact the Company's accounting policy disclosures, with revised presentations and additional disclosures to the Financial Statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring judgement and estimation in the preparation of the financial statements relate to the determination of the carrying value of unquoted investments at fair value through profit or loss. The policies for these are set out in the notes to the financial statements below. The Company values unquoted investments by following the International Private Equity Venture Capital Valuation (IPEV) guidelines. Further areas are recognizing and classifying unusual or special dividends received as either revenue or capital in nature; the valuation of warrants and options; and recognition of expenses between capital and income.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There are no further significant judgements or estimates in these financial statements.

Investments

The Group's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a

documented investment strategy, and information about the portfolio is provided internally on that basis to the Group's Board of Directors.

Upon initial recognition, the investments held by the Company, except for the investment in the subsidiary, are classified 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition, which are written off in the Income Statement and allocated to 'capital' at the time of acquisition). When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments this is deemed to be bid market prices or closing prices for Stock Exchange Electronic Trading Service – quotes and crosses ("SETSqx").

Changes in fair value of investments are recognised in the Income Statement as a capital item. On disposal, realised gains and losses are also recognised in the Income Statement as capital items.

The investment in the subsidiary company, DIT Income Services Limited, is held at cost £1 (2023: £1). Investments held as current assets by the subsidiary undertaking are classified as 'held for trading' and are at fair value. Dealing profits or losses on these investments are taken to revenue in the Income Statement. There were no investments held by the subsidiary at the year end (2023: none).

Warrants give the Company the right, but not the obligation, to buy common ordinary shares in an investee company at a fixed price for a pre-defined time period. The fair value is determined by the Manager through use of appropriate financial models using available observable inputs of the warrant: the exercise share price of the investee company, the expiration period plus other factors including the prevailing interest rate and associated risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 11.

Foreign Currency

Transactions denominated in foreign currencies are converted to sterling at the actual exchange rate as at the date of the transaction. Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies at the year end are reported at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

Derivatives

Derivatives, including Index Put Options, which are listed investments, are classified as financial instruments at fair value through profit or loss. Derivatives are initially recorded at cost (being premium paid to purchase the option) and subsequently valued at fair value and included in current assets/liabilities. Derivatives are derecognised when the contract expires or on the trade date when the contract is sold.

Changes in the fair value of derivative instruments are recognised as they arise in the capital column of the Income Statement. The fair value is calculated by either the quoted price (if listed) or a broker using models with inputs from market prices. On disposal or expiration, realised gains and losses are also recognised in the Income Statement as capital items.

Income

Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time-apportioned basis. Dividends from overseas companies are shown gross of any non recoverable withholding taxes.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as a capital or revenue receipt, the Board reviews all relevant information as to the reasons for the sources of the dividend on a case-by-case basis.

When the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend forgone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column.

All other income is accounted for on a time apportioned accruals basis and is recognised in the Income Statement.

Expenses and Finance Costs

All expenses are accounted for on an accruals basis. On the basis of the Board's expected long-term split of total returns in the form of capital and revenue returns of 75% and 25% respectively, the Company charges 75% of its management fee and finance costs to capital. All other administrative expenses are charged through the revenue column in the Income Statement.

Expenses incurred directly in relation to arranging debt and loan facilities have been capitalised and amortised over the term of the finance.

Expenses incurred directly in relation to placings and offers for subscription of shares are deducted from equity and charged to the share premium account.

Expenses incurred in the maintenance of capital, redemption and cancellation of shares are charged to the special reserve through the Statement of Change of Equity.

Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the AIC SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the “marginal” basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

The actual charge for taxation in the income statement relates to irrecoverable withholding tax on overseas dividends received during the year.

Dividends Payable to Shareholders

Dividends to shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends approved by the Board are recognised as a liability at the ex-dividend date. Dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

Share Capital

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The share capital of the Company comprises redeemable ordinary shares (“ordinary shares”), C shares, when in issue, and management shares.

The Company is a closed-ended investment company with an unlimited life. The ordinary shares are not puttable instruments because redemption is conditional upon certain market conditions and/or Board approval. As such, they are not required to be classified as debt under IAS 32 ‘Financial Instruments: Disclosure and Presentation’.

As defined in the Articles of Association, redemption of ordinary shares is at the sole discretion of the Directors, therefore the ordinary shares have been classified as equity.

The issuance, acquisition and resale of ordinary shares are accounted for as equity transactions and no gain or loss is recognised in the Income Statement.

Share Premium

The share premium account represents the accumulated premium paid for shares issued in previous periods above their normal value less issue expenses. This is a reserve forming part of the non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Capital Redemption Reserve

The capital redemption reserve represents non-distributable reserves that arise from the purchase and cancellation of shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Special Reserve

The special reserve was created by a cancellation of the share premium account. Its main purpose is to allow the Company to meet annual redemption requests for ordinary shares. The costs of share buy-backs and meeting annual redemption requests, including related stamp duty and transaction costs, are also charged to the special reserve. The special reserve is distributable.

Capital Reserve

The following are taken to this reserve:

- gains and losses on the disposal of investments;
- exchange difference of a capital nature;
- expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policies;
- increase and decrease in the valuation of investments held at the year end; and
- subsequent to the special reserve being extinguished, the capital reserve has been used to fund the redemptions of the Company.

The capital reserve is distributable.

Revenue Reserve

The revenue reserve represents the surplus accumulated revenue profits and is distributable.

2. Income

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Income from investments:						
UK dividends	10,511	–	10,511	11,861	77	11,938
UK REIT dividend income	486	–	486	361	–	361
Non UK dividend income	3,896	–	3,896	3,566	–	3,566
	14,893	–	14,893	15,788	77	15,865
Other income:						
Bank deposit interest	659	–	659	320	–	320
Exchange (losses)/gains	(2)	–	(2)	18	–	18
Other income	–	–	–	1	–	1
Total income	15,550	–	15,550	16,127	77	16,204

3. Management Fee

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
	£000	£000	£000	£000	£000	£000
Management fee	591	1,774	2,365	732	2,199	2,931

The basic management fee payable to the Manager is calculated at the rate of one-twelfth of 0.9% of the average market capitalisation of the Company up to £300m, 0.8% per annum on the average market capitalisation between £300m and £500m and 0.7% per annum on the average market capitalisation above £500m on the last business day of each calendar month. The basic management fee accrues daily and is payable in arrears in respect of each calendar month. Effective 1 June 2024, the Manager will receive a fee equal to 0.8% per annum on the average market capitalisation up to £450m and 0.7% per annum on the average market capitalisation above £450m. For the purpose of calculating the basic fee, the 'adjusted market capitalisation' of the Company is defined as the average daily mid-market price for an ordinary share and C share (when in issue), multiplied by the number of relevant shares in issue, excluding those held by the Company in treasury, on the last business day of the relevant month. In addition, the AIFM is entitled to receive a management fee on any Redemption Pool, as detailed in the Strategic Report on page 23.

At 31 May 2024 an amount of £213,000 was outstanding and due to Premier Portfolio Managers Limited (2023: £235,000) in respect of management fees, which is included in "Other creditors" in note 16.

4. Other Expenses

	Year ended 31 May 2024 £000	Year ended 31 May 2023 £000
Fund Administration and Secretarial services	162	145
Auditor's remuneration for:		
Audit of the Group's financial statements (payable by the Company only)	51	50
Directors' fees (see the Directors' Remuneration Report on pages 43 to 46)	175	169
Other expenses	468	482
	856	846

The audit of the Group's financial statements includes the cost of the audit of DIT Income Services Limited of £4,000 (2023: £4,000), which is paid by the parent Company.

5. Finance Costs

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
	£000	£000	£000	£000	£000	£000
£5m (2023: £5m) revolving loan facility loan arrangement fee	2	8	10	6	17	23
£5m (2023: £5m) revolving loan facility non-utilisation fee	2	4	6	5	17	22
	4	12	16	11	34	45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The Group entered into a revolving loan facility (the “facility”) on 4 October 2019 with The Royal Bank of Scotland International Limited, London branch (“RBS”). The facility agreement with RBS consisted of a revolving loan facility of up to £5m (together with an uncommitted accordion option of up to an additional £40m – the total drawdown available being £45m). The facility lapsed on 3 October 2023. The Group did not draw down on this facility during the year (2023: nil).

The facility, when in existence, bore interest at the rate of 1.20% over SONIA on any drawn down balance and a commitment fee of 0.45%. The Company was able to drawdown equivalents in US Dollars and Euro’s with applicable prevailing US Dollar and Euro interest rates. The covenant required, that there are not less than 60 investments, that borrowings will not at any time exceed 25% of the adjusted portfolio value, being the total portfolio value less the gross market value of each investment which is not a quoted equity freely traded on a recognised investment exchange, and that the net asset value shall at all times be greater than £210m. If the Group breaches any covenant it is required to notify RBS of any default and the steps being taken to remedy it.

6. Taxation

a) Analysis of charge in year

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Current tax:						
Overseas withholding tax suffered	195	–	195	108	–	108
Total Overseas withholding tax suffered	195	–	195	108	–	108

b) The current taxation charge for the year is lower than the standard rate of Corporation Tax in the UK of 25% (2023: 25%)

The differences are explained below:

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Return on activities before taxation	14,099	28,041	42,140	14,538	(77,354)	(62,816)
Theoretical tax at UK corporation tax rate of 25% (2023: 20%)	3,525	7,010	10,535	2,908	(15,471)	(12,563)
Effects of:						
– UK dividends that are not taxable	(2,628)	–	(2,628)	(2,373)	(15)	(2,388)
– Overseas dividends that are not taxable	(973)	–	(973)	(717)	–	(717)
– Non-taxable investment gains	–	(7,456)	(7,456)	–	15,039	15,039
– Overseas taxation suffered	195	–	195	108	–	108
– Unrelieved expenses	76	446	522	182	447	629
Actual current tax charge	195	–	195	108	–	108

c) Factors that may affect future tax charges

At 31 May 2024, the Company had no unprovided deferred tax liabilities (2023: £nil). At that date, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £35,754,000 (2023: £33,663,000) that are available to offset future taxable revenue. A deferred tax asset at a rate of 25% (2023: 25%) of £8,939,000 (2023: £8,416,000) has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

The loss from the subsidiary was £nil (2023: £nil). Accumulated losses are being carried forward to be relieved against future profits.

In addition, deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future meet) the conditions for approval as an Investment Trust Company under HMRC rules.

7. Return per Share Ordinary Shares

The return per ordinary share is based on the net gain after taxation of £41,945,000 (2023: loss £62,924,000) and on 319,642,124 (2023: 356,119,255) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The return per ordinary share detailed above can be further analysed between revenue and capital as follows:

	Year ended 31 May 2024			Year ended 31 May 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Basic & diluted						
Net profit/(loss) (£'000)	13,904	28,041	41,945	14,430	(77,354)	(62,924)
Weighted average number of Ordinary shares in issue			319,642,124			356,119,255
Return/(loss) per ordinary share (pence)	4.35	8.77	13.12	4.05	(21.72)	(17.67)

The 50,000 Management shares do not participate in the returns of the Company.

There are no dilutive instruments issued by the Company (2023: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. Dividends per Ordinary Share

Amounts recognised as distributions to equity holders in the year:

	Year ended 31 May 2024		Year ended 31 May 2023	
	£000	pence per share	£000	pence per share
In respect of the previous year:				
Third interim dividend	3,026	0.95	3,203	0.90
Final dividend	3,822	1.20	4,270	1.20
In respect of the year under review:				
First interim dividend	3,185	1.00	3,381	0.95
Second interim dividend	3,186	1.00	3,381	0.95
Dividends distributed during the year	13,219	4.15	14,235	4.00

The Directors have declared a third interim dividend in respect of the year ended 31 May 2024 of 1.05p per ordinary share payable on 30 August 2024 to all shareholders on the register at close of business on 21 June 2024. The ex-dividend date was 20 June 2024. A final dividend of 1.20p per ordinary share has also been recommended by the Board. Subject to shareholder approval at the forthcoming AGM, this dividend will be payable on 29 November 2024 to shareholders on the register at close of business on 27 September 2024. The ex-dividend date will be 26 September 2024. The Company operates a Dividend Reinvestment Plan ("DRIP"), which is managed by its registrar, Link Group. For shareholders who wish to receive their dividend in the form of shares, the deadline to elect for the DRIP is 11 October 2024.

The total dividends payable in respect of the financial year for the purposes of the income retention test for Section 1158 of the Corporation Tax Act 2010 are set out below.

	Year ended 31 May 2024 £000	Year ended 31 May 2023 £000
Revenue available for distribution by way of dividends for the year	13,904	14,430
Declared first interim dividend 1.00p (2023: 0.95p) per ordinary share	(3,185)	(3,381)
Declared second interim dividend 1.00p (2023: 0.95p) per ordinary share	(3,186)	(3,381)
Declared third interim dividend 1.05p (2023: 0.95p) per ordinary share	(2,482)	(3,026)
Proposed final dividend of 1.20p (2023: 1.20p) per ordinary share	(2,837)	(3,822)
Estimated revenue reserve retained for the year	2,214	820

9. Called-Up Share Capital

	31 May 2024		31 May 2023	
	number	£000	number	£000
Ordinary shares of 0.1p each				
Opening balance	355,870,647	356	361,920,105	362
Issue of Ordinary shares	–	–	–	–
Cancellation of Ordinary shares	(119,477,482)	(120)	(6,049,458)	(6)
	236,393,165	236	355,870,647	356
Management shares of £1				
Opening balance	50,000	50	50,000	50
		286		406

The rights and restrictions attached to shares, together with the capital structure of the Company, are set out on page 20.

Redemption of Ordinary Shares

The Company, which is a closed-ended investment company with an unlimited life, has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of ordinary shares on an annual basis. As set out in the Articles of Association, the Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part. Accordingly, the ordinary shares have been classified as equity.

2024 Redemption

The Company received redemption requests for 82,147,477 ordinary shares in respect of 31 May 2024 Redemption Point (representing 25.788% of the issued share capital (the “Redemption”). The Board resolved to effect the Redemption using the redemption pool method set out in the Company's Articles, pursuant to which the Company notionally divided its assets and liabilities into two pools, the Redemption Pool and Continuing Pool, with the returns attributable to the respective Redemption and Continuing shareholders. The 82,147,477 Ordinary Shares over which valid redemption requests were made have been cancelled with effect from 31 May 2024; former holders of the Redemption Shares are now creditors of the Company. The value to be returned to former holders of Redemption Shares will be determined by the value of the Redemption Pool upon realisation of the assets and liabilities.

Shares Issued

No ordinary shares were issued during the year (2023: nil).

2023 Redemption

The Company received redemption requests for 37,330,005 ordinary shares in respect of 31 May 2023 Redemption Point. All of these shares were redeemed at the Redemption Price 89.35p per share and cancelled by the Company on 14 June 2023.

Details of the redemption facility are set out on page 84.

Management Shares

The 50,000 management shares with a nominal value of £1 each were allotted to Miton Group plc (now Miton Group Limited) on 30 March 2011, the parent company of the Manager. The management shares are non-voting and non-redeemable and, upon a winding-up or on a return of capital of the Company, shall only receive the fixed amount of capital paid up on such shares and shall confer no right to any surplus capital or assets of the Company. As at 31 May 2024, £12,500 had been paid up (2023: £12,500). The balance is payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net asset values attributable at the year end were as follows:

	Net asset value per share 31 May 2024 pence	Net assets attributable 31 May 2024 £000	Net asset value per share 31 May 2023 pence	Net assets attributable 31 May 2023 £000
– Basic and diluted	98.87	233,713	88.87	316,275

Net asset value per ordinary share is based on net assets at the year end and 236,393,165 ordinary shares (2023: 355,870,647), being the number of ordinary shares in issue at the year end. The NAV above is the value attributable to continuing shareholders of the Group.

The Group at the Redemption Point notionally divided its assets and liabilities with £80,150,000 transferred to the Redemption Pool. The amount payable to former holders of Redemption Shares, are now creditors of the Company, will be determined by value of the Redemption Pool upon realisation.

The net asset value of £1 (2023: £1) per management share is based on net assets at the year end of £50,000 (2023: £50,000) and 50,000 (2023: 50,000) management shares in issue at 31 May 2024. The shareholders have no right to any surplus capital or assets of the Company.

11. Investments

Group and Company	31 May 2024 £000	31 May 2023 £000
Investment portfolio summary:		
Opening book cost	294,599	327,151
Opening investment holding (losses)/gains	(15,666)	50,440
Total opening investments classified at fair value	278,933	377,591
Analysis of investment portfolio movements		
Opening fair value	278,933	377,591
Movements in the period:		
Purchases at cost	55,893	51,599
Sales – proceeds	(72,810)	(78,964)
Movement in investment holding gains/(losses)	30,676	(71,293)
Closing fair value	292,692	278,933
Closing book cost	270,990	294,599
Closing investment holding gains/(losses)	21,702	(15,666)
Closing fair value	292,692	278,933

The Company received £72,810,000 (2023: £78,964,000) from investments sold in the year. The book cost of these investments was £79,502,000 (2023: £84,151,000). These investments have been revalued over time and until they were sold any unrealised gain or losses were included in the fair value of investments.

	Year ended 31 May 2024 £000	Year ended 31 May 2023 £000
Transaction costs:		
Costs on acquisitions	241	183
Costs on disposals	44	33
	285	216

Fair Value Hierarchy

Financial assets of the Group are carried in the Balance Sheet at their fair value or approximation of fair value. The fair value is the amount at which the asset could be sold in an ordinary transaction between market participants, at the measurement date, other than a forced or liquidation sale. The Group measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – Valued using quoted prices, unadjusted in active markets for identical assets and liabilities.

Level 2 – Valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in level 1.

Level 3 – Valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

The table below sets out the fair value measurement of financial assets and liabilities in accordance with the fair value hierarchy.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 31 May 2024				
Equity Investments	288,285	–	4,407	292,692
	288,285	–	4,407	292,692
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 31 May 2023				
Equity Investments	273,730	5,203	–	278,933
Derivative contracts	–	848	–	848
Fixed interest bearing securities	–	–	–	–
	273,730	6,051	–	279,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The Level 2 investments are at fair value calculated using observable inputs. The fair value is calculated using:

- the observable fair value on an inactive market;
- an intrinsic value above cost, allowing for the conversion value of the underlying, actively traded bid price where applicable; and
- The fair value of options are determined by the Manager through use of models using available observable inputs, the strike price of the option, the time until expiration, the volatility of the index, the prevailing interest rate and associated risks.

Fair value of level 3 movements – financial assets

	As at 31 May 2024 Level 3 £000	As at 31 May 2023 Level 3 £000
Opening fair value investments	–	–
Sale proceeds	(644)	–
Realised losses on sales	(1,408)	(6,949)
Transfer from Level 1 to Level 3	–	3,553
Transfer from Level 2 to Level 3	5,051	–
Movement in unrealised investment holding gains	1,408	3,396
Closing fair value of investments	4,407	–

Investments classified within Level 3 are reviewed on a regular basis by the Manager. As observable prices are not available for these investments, the Manager has used appropriate valuation techniques to derive the fair value. Transfer from Level 2 to Level 3 consist of equities suspended on the relevant stock exchange that previously had an observable input. It is transferred to Level 3 with the appropriate valuation technique applied with consideration of the price at suspension, rationale for suspension and other relevant information available. The fair value of warrants are determined by the price of the underlying stock, strike price, remaining time to expiry, implied volatility and risk free rate.

Trading Income

The Company's subsidiary completes trading transactions. The value of assets held by the subsidiary as at 31 May 2024 was £nil (2023: £nil). The difference between the sale and purchase of assets is trading income recognised in the Income Statement.

12. Derivative

	As at 31 May 2024 £000	As at 31 May 2023 £000
Listed Put options at fair value through profit or loss at 31 May 2024		
Opening book cost	4,364	8,017
Opening investment holding losses	(3,516)	(5,536)
Total investments designated at fair value	848	2,481
	As at 31 May 2024 £000	As at 31 May 2023 £000
Listed Put options at fair value through profit or loss at 31 May 2024		
Analysis of investment portfolio movements		
Opening valuation	848	2,481
Movements in the period:		
Purchases at cost	–	4,364
Sales – proceeds	–	(2,090)
Movement in holding losses	(848)	(3,907)
Closing fair valuation	–	848
Closing book cost	–	4,364
Closing unrealised loss	–	(3,516)
Closing fair value	–	848
	As at 31 May 2024 £000	As at 31 May 2023 £000
Transaction costs:		
Costs on acquisitions	–	5
Costs on disposals	–	6
	–	11

Derivative contracts serve as components of the Company's investment strategy and are utilised primarily to structure and hedge investments to enhance performance and reduce risk of the Company (the Company does not designate any derivative as hedging instrument for hedge accounting purposes).

The derivative contracts that the Company may hold from time to time or issue include: index-linked notes, contracts for differences, covered options and other equity-related instruments. The Company's investment objective set limits on investments in derivatives. The Investment Manager closely monitors the Company's exposure under derivative contracts and any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments. The Company will not enter into uncovered short positions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. Substantial Share Interests

The Company has notified interests in 3% or more of the voting rights of 16 (2023: 19) investee companies (none of which are closed-end investment funds). The Board does not consider any of the Company's other equity investments to be individually material in the context of the financial statements.

14. Investment in Subsidiary

The Company owns the whole of the issued ordinary share capital (£1) of DIT Income Services Limited, an investment dealing company registered in England and Wales. The registered office of the subsidiary is Broadwalk House, Southernhay West, Exeter, Devon EX1 1TS. The subsidiary is held at cost of £1 and has provided loans to the Company amounting to £896,000 at 31 May 2024 (2023: £896,000), which are payable on demand.

15. Trade and Other Receivables

	Group		Company	
	31 May 2024 £000	31 May 2023 £000	31 May 2024 £000	31 May 2023 £000
Amounts due from brokers	13	133	13	133
Dividends receivable	1,585	1,684	1,585	1,684
Taxation recoverable	564	487	564	487
Prepayments and other debtors	96	94	96	94
	2,258	2,398	2,258	2,398

16. Current liabilities

	Group		Company	
	31 May 2024 £000	31 May 2023 £000	31 May 2024 £000	31 May 2023 £000
Amounts due to subsidiary	–	–	896	896
Accruals and other creditors	334	380	334	380
Trade and other payables	334	380	1,230	1,276
Redemption Pool liability	77,930	–	77,930	–
	78,264	380	79,160	1,276

The Redemption Pool liability is determined by the fair value of the Redemption Pool payable to redeeming shareholders.

17. Capital Commitments and Contingent Liabilities

At 31 May 2024, there were no outstanding commitments (2023: £nil) and no contingent liabilities (2023: £nil).

18. Analysis of Financial Assets and Liabilities

Investment Objective And Policy

The Group's investment objective and policy are detailed on pages 85 and 86.

The Group's investing activities in pursuit of its investment objective involve certain inherent risks.

The Group's financial instruments comprise:

- shares and debt securities held in accordance with the Group's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise from its operations; and
- current asset investments held by its subsidiary.

The risks identified arising from the Group's financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk and credit and counterparty risk. The Group may enter into derivative contracts to manage risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies have remained unchanged since the beginning of the accounting year.

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Group's business. It represents the potential loss the Group might suffer through holding market positions by way of price movements, movements and systematic risk (risk inherent, to the market, reflecting economic and geopolitical factors), interest rate movements and exchange rate movements. The Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Manager on a regular basis and the Board at quarterly meetings with the Manager.

Market price risk

Market price risk (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of investments.

The Board manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from the Manager. Investment performance and exposure are reviewed at each Board meeting.

The Group's exposure to changes in market prices as at 31 May 2024 on its investments held at fair value through profit or loss was £292,692,000 (2023: £279,781,000). The Group has experienced volatility in the fair value of investments during recent years due to domestic and global, economic and political uncertainties. These include, but are not limited to, the war in Ukraine, political instability in the UK, supply shortages and inflationary pressures.

The Group has used 20% to demonstrate the impact of a significant reduction/increase in the fair value of the investments and the impact upon the Company that might arise from future significant events. A fall of 20% in fair value would reduce net assets by £58,538,000 at 31 May 2024. An equal change in the opposite direction would have increased the net assets and net profit available to shareholders by an equal and opposite amount. The analysis is based on closing balances only and is not representative of the year as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and payable on its revolving credit facility. The Group's financial assets and liabilities, excluding short-term debtors and creditors, may include investment in fixed interest securities, such as UK corporate debt stock, whose fair value may be affected by movements in interest rates. The majority of the Group's financial assets and liabilities, however, are non-interest bearing. As a result, the Group's financial assets and liabilities are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The possible effects on the fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions.

At 31 May 2024, the Company did not hold any fixed interest securities (2023: one with a fair value of £nil).

The interest rate profile of the Group (excluding short-term debtors and creditors) was as follows:

	Weighted average interest rate %	Floating rate £000	Fixed rate £000
As at 31 May 2024			
Assets and liabilities			
Cash at bank	–	17,027	–
		17,027	–
As at 31 May 2023			
Assets and liabilities			
Fixed interest securities	–	–	–
Cash at bank	–	34,476	–
		34,476	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value.

The weighted average fixed interest rate is based on the current yield of each asset, weighted by its current market value. The maturity dates and nominal interest rates on these investments held at fair value through profit or loss are shown in the portfolio information on page 13.

The floating rate assets consist of cash deposits on call earning interest at the prevailing market rates.

The interest rate risk sensitivity of the Group on its floating rate assets and liabilities is given below:

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net assets and profit for the year ended 31 May 2024 would increase/decrease by £85,000 (2023: increase/decrease by £172,000). This is attributable to the Group's exposure to interest rates on its floating rate cash balances and bank overdraft as at the year ended 31 May 2024. If there was a fall in interest rates it would potentially impact the Company as above, by turning positive interest to negative interest.

Foreign currency risk

Although the Company's performance is measured in sterling, a proportion of the Group's assets may be either denominated in other currencies or are in investments with currency exposure. Any income denominated in a foreign currency is converted into sterling upon receipt. At the Balance Sheet date, all the Group's assets were denominated in sterling and accordingly the only currency exposure the Group has is through the trading activities of its investee companies.

Liquidity Risk

Liquidity risk is not considered to be significant as the Group is a closed-ended investment trust and the Group's assets primarily comprise cash and readily realisable securities. They may, however, be difficult to realise in adverse market conditions. The Group can achieve short-term flexibility by the use of its overdraft facility.

The maturity profile of the Group's financial liabilities of £78,264,000 (2023: £380,000) are all due in one year or less.

Credit Risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Group suffering a loss.

The maximum exposure to credit risk as at 31 May 2024 was £19,285,000 (2023: £37,722,000). The calculation is based on the Group's credit risk exposure as at 31 May 2024.

The Group's listed investments are held on its behalf by Bank of New York Mellon acting as the Group's custodian. The Depositary will ensure that all accounts are segregated. Bankruptcy or insolvency of the custodian may cause the Group's rights with respect to securities held by the custodian to be delayed. The Board monitors the Group's risk by reviewing the custodian's internal controls report.

The Company's cash balances are held on its behalf by BNYM. The Board monitor the credit worthiness of BNYM, currently rated at Aa1 (Moody's). The exposure of cash held at BNYM as at 31 May 2024 was £17,027,000 (2023: £34,476,000). The cash balances will fluctuate throughout the year and the Board will monitor the exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Investment transactions are carried out with a number of brokers whose creditworthiness is reviewed by the Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Group's custodian bank ensures that the counterparty to any transaction entered into by the Group has delivered on its obligations before any transfer of cash or securities away from the Group is completed.

Cash is only held at banks that have been identified by the Board as reputable and of high credit quality.

None of the Group's assets are past due and the adoption of the expected credit loss model for impairment under IFRS 9 has not had a material impact on the Company.

Derivatives

The Manager may use derivative instruments in order to 'hedge' the market risk of part of the portfolio. The Manager reviews the risks associated with individual investments and, where they believe it appropriate, may use derivatives to mitigate the risk of adverse market (or currency) movements. The Manager discusses regularly the hedging strategy with the Board.

Capital Management Policies

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return over the long-term to its equity shareholders through an appropriate balance of equity capital and 'debt'.

As stated in the investment policy, the Company has authority to borrow up to 15% of net asset value through a mixture of bank facilities and certain derivative instruments. There were no borrowings as at 31 May 2024 (2023: £nil). Also, as a public company the minimum share capital is £50,000.

	2024 £000	2023 £000
The Company's capital at 31 May comprised:		
Debt:		
Bank loan facility*	–	–
Equity:		
Equity share capital	286	406
Retained earnings and other reserves	233,427	315,869
Total shareholders' funds	233,713	316,275
Debt as a % of net assets	0.00%	0.00%

* no bank facility in place at 31 May 2024

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's view of the market;
- the need to buy back shares for cancellation or treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital have remained unchanged since its launch.

19. Transactions with the Manager and Related Parties

The amounts paid to the Manager pursuant to the Management Agreement are disclosed in note 3. Management fees for the year amounted to £2,365,000 (2023: £2,931,000).

As at the year end, the following amounts were outstanding in respect of management fees: £213,000 (2023: £235,000).

Fees paid to the Company's Directors are disclosed in the Directors' Remuneration Report. At the year end, there were no outstanding fees payable to Directors (2023: £nil).

There were no other identifiable related parties at the year end.

20. Post Balance Sheet events

The Redemption Pool has been realised with Redeeming Shareholders who had their shares cancelled on 31 May 2024 being paid 94.86p per cancelled share with a total of £77,930,000 being paid. The funds were dispatched on or around 24 July 2024.

REDEMPTION OF ORDINARY SHARES

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of ordinary shares. Redemption request forms are available upon request from the Company's Registrar.

Shareholders submitting valid requests for the redemption of ordinary shares will have their shares redeemed at the Redemption Price or the Company may arrange for such shares to be sold in the market at the prevailing NAV (including current period revenue) (the "Dealing Value") (subject to the Directors' discretion). The Directors may elect, at their absolute discretion, to calculate the Redemption Price applying on any Redemption Point by reference to a separate Redemption Pool, when the Redemption Price will be calculated by reference to the amount generated upon the realisation of the Redemption Pool.

The Board may, at its absolute discretion, elect not to operate the annual redemption facility on any given Redemption Point, or to decline in whole or part any redemption request. To date, the Board has not exercised this discretion but retains the right to do so, as set out in the Articles of Association, if they consider it to be in the interests of shareholders as a whole.

A redemption of ordinary shares may be subject to either income tax and/or capital gains tax. In particular, private shareholders that sell their shares via the redemption mechanism could find they are subject to income tax on the gains made on the redeemed shares rather than the more usual capital gains tax on the sale of their shares in the market. However, individual circumstances do vary, so shareholders who are in any doubts about the redemption or the action that should be taken should consult their stockbroker, accountant, tax adviser or other independent financial adviser.

The relevant dates for the August 2025 Redemption Point are:

29 July 2025	Latest date for receipt of Redemption Requests and certificates for certificated shares
3.00 pm on 29 July 2025	Latest date and time for receipt of Redemption Requests and TTE (transfer to escrow) instructions for uncertificated shares via CREST
5.00 pm on 29 August 2025	The Redemption Point
On or before 12 September 2025	Company to notify Redemption Price and dispatch redemption monies; or If the redemption is to be funded by way of a Redemption Pool, Company to notify the number of shares being redeemed. Notification of Redemption Price and dispatch of redemption monies to take place as soon as practicable thereafter
On or before 26 September 2025	Balance certificates to be sent to shareholders

Further details of the redemption facility are set out in the Company's Articles of Association, or are available from the Company Secretary.

SHAREHOLDER INFORMATION

The Company was incorporated on 30 March 2011. Following a placing and offer for subscription, the ordinary shares were admitted to trading on the London Stock Exchange on 28 April 2011.

Capital Structure

The Company's share capital consists of redeemable ordinary shares of 0.1p each with one vote per share and non-voting management shares of £1 each. From time to time, the Company may issue C ordinary shares of 1p each with one vote per share.

The Company's shares have the following rights:

Voting: the ordinary and C shares have equal voting rights. At shareholder meetings, members present in person or by proxy have one vote on a show of hands and on a poll have one vote for each share held. Management shares are non-voting.

Dividends: the assets of the ordinary and C shares are separate and each class is entitled to dividends declared on their respective asset pool. The management shares are entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative dividend equal to 0.00001p per annum.

Capital: if there are any C shares in issue, the surplus capital and assets of the Company shall, on a winding-up or on a return of capital, be applied amongst the existing ordinary shareholders and the management shareholders pro rata according to the nominal capital paid up on their holdings after having deducted there from an amount equivalent to the assets and liabilities relating to the C shares, which amount shall be applied amongst the C shareholders pro rata according to the nominal capital paid up on their holdings of C shares.

When there are no C shares in issue, any surplus shall be divided amongst the ordinary shareholders and management shareholders pro rata according to the nominal capital paid up on their holdings of ordinary shares and management shares.

In each instance, the holders of the management shares shall only receive an amount up to the capital paid up on such management shares and the management shares shall not confer the right to participate in any surplus remaining following payment of such amount.

As at the date of this Report, there were 236,393,165 ordinary shares in issue, none of which were held in treasury, and 50,000 management shares.

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of ordinary shares on an annual basis. The Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part, although it has indicated that it is minded to approve all requests.

Further details of the capital structure can be found in note 9 to the financial statements. Details of the redemption facility are set out on page 84.

Investment Objective

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

Investment Policy

The Company invests primarily in UK-quoted or traded companies with a wide range of market capitalisations, but a long-term bias toward small and mid-cap equities. The Company may also invest in large cap companies, including FTSE 100 constituents, where it is believed that this may increase shareholder value.

The Manager adopts a stock specific approach in managing the Company's portfolio and therefore sector weightings are of secondary consideration. As a result of this approach, the Company's portfolio does not track any benchmark index.

SHAREHOLDER INFORMATION CONTINUED

The Company may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management, gearing and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company will not enter into uncovered short positions.

Risk Diversification

Portfolio risk is mitigated by investing in a diversified spread of investments. Investments in any one company shall not, at the time of acquisition, exceed 15% of the value of the Company's investment portfolio. Typically it is expected that the Company will hold a portfolio of between 100 and 180 securities, most of which will represent no more than 1.5% of the value of the Company's investment portfolio as at the time of acquisition.

The Company will not invest more than 10% of its gross assets, at the time of acquisition, in other listed closed-ended investment funds, whether managed by the Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds. In addition to this restriction, the Directors have further determined that no more than 15% of the Company's gross assets will, at the time of acquisition, be invested in other listed closed-ended investment funds (including investment trusts) whether or not such funds have stated policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds.

Unquoted Investments

The Company may invest in unquoted companies from time to time subject to prior Board approval. Investments in unquoted companies in aggregate will not exceed 5% of the value of the Company's investment portfolio as at the time of investment.

Borrowing and Gearing Policy

The Board considers that long-term capital growth can be enhanced by the use of gearing which may be through bank borrowings and the use of derivative instruments such as contracts for differences. The Company may borrow (through bank facilities and derivative instruments) up to 15% of NAV (calculated at the time of borrowing).

The Board oversees the level of gearing in the Company, and reviews the position with the Manager on a regular basis.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to the LSE.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

Historic Dividend Record

Year ended 31 May:	2015 pence	2016 pence	2017 pence	2018 pence	2019 pence	2020 pence	2021 pence	2022 pence	2023 pence	2024 pence
First interim dividend	0.40	0.65	0.70	0.75	0.80	0.85	0.85	0.90	0.95	1.00
Second interim dividend	0.50	0.65	0.70	0.80	0.85	0.90	0.90	0.90	0.95	1.00
Third interim dividend	0.50	0.75	0.80	0.85	0.90	0.90	0.90	0.90	0.95	1.05
Fourth interim dividend	1.00	–	–	–	–	–	–	–	–	–
Final dividend	0.50	0.75	0.80	1.00	1.10	1.05	1.10	1.20	1.20	1.20 ²
Special dividend	–	–	0.40 ³	0.23 ³	0.16 ³	–	–	–	–	–
	2.90 ¹	2.80	3.40	3.63	3.81	3.70	3.75	3.90	4.05	4.25

¹ In order to allow shareholders to vote on the dividend, a final dividend was introduced in the year ended 31 May 2015, resulting in the payment of five dividends for that year. Since then, the Company has paid three interim dividends and a final dividend in respect of each year. There was no interruption in the dividend payment timetable as a result of this change.

² Proposed.

³ A special dividend was paid for the years ended 31 May 2017, 31 May 2018 and 31 May 2019, reflecting years when many special dividends were also paid by the companies in the portfolio.

Share Dealing

Shares can be traded through your usual stockbroker.

Share Register Enquiries

The register for the ordinary shares is maintained by Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider; calls outside the UK will be charged at the applicable international rate). Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales. You can also email shareholderenquiries@linkgroup.co.uk.

Changes of name and/or address must be notified in writing to the Registrar: Shareholder Services, Link Group, 29 Wellington Street, Leeds LS1 4DL.

Electronic Communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's Annual Report, half-yearly report and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company.

If you have not already elected to receive electronic communications from the Company and wish to do so, please contact the Registrar using the details on this page 101. Please have your investor code to hand.

Share Capital and Net Asset Value Information

Ordinary 0.1p shares	236,393,165*
SEDOL Number	B65TLW2
ISIN Number	GB00B65TLW28

The Company releases its NAV per share daily to the LSE.

*As at the date of this Report

SHAREHOLDER INFORMATION CONTINUED

Share Prices

The Company's shares are listed on the LSE under 'Investment Trusts'. The share price is available on the website, www.diverseincometrust.com.

Annual and Half-Yearly Reports

Copies of the Annual and Half-Yearly Reports are available on the Company's website, www.diverseincometrust.com, or from the Registrar on telephone number 0371 664 0300 or shareholderenquiries@linkgroup.co.uk.

Manager: Premier Portfolio Managers Limited

The Company's Manager is Premier Portfolio Managers Limited, a wholly-owned subsidiary of Premier Miton Group plc. Premier Miton Group is listed on AIM.

As at 30 June 2024, Premier Miton Group managed £10.6bn of assets under management.

Members of the fund management team invest in their own funds and are significant shareholders in Miton Group.



Investor updates in the form of monthly factsheets and other material that may be of interest to shareholders are available from the Company's website, www.diverseincometrust.com.

Association of Investment Companies

The Company is a member of the AIC.

August 2024	Announcement of annual results Payment of third interim dividend
October 2024	Annual General Meeting
November 2024	Half-year end Payment of final dividend
January 2025	Announcement of half-yearly results
February 2025	Payment of first interim dividend
May 2025	Year end Payment of second interim dividend
August 2025	Redemption Point

Retail Investors advised by IFAs

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by IFAs to ordinary retail investors in accordance with the FCA rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Service and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in The Diverse Income Trust plc (the “Company”), please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the thirteenth ANNUAL GENERAL MEETING of The Diverse Income Trust plc will be held on Tuesday, 15 October 2024 at 11.30 am at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH to consider and vote on the Resolutions below.

Resolutions 1 to 11 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 12 to 15 (inclusive) will be proposed as Special Resolutions.

Ordinary Resolutions

Resolution 1

To receive and adopt the Strategic Report, Reports of the Directors and Auditor and the audited financial statements for the year ended 31 May 2024.

Resolution 2

To receive and approve the Directors’ Remuneration Report for the year ended 31 May 2024.

Resolution 3

To re-elect Mr Bell as a Director of the Company.

Resolution 4

To re-elect Mr Crole as a Director of the Company.

Resolution 5

To re-elect Ms Kemsley-Pein as a Director of the Company.

Resolution 6

To re-elect Ms McGrade as a Director of the Company.

Resolution 7

To re-elect Mr Thomson as a Director of the Company.

Resolution 8

To re-appoint BDO LLP as the Auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which financial statements are laid before the Company.

Resolution 9

To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.

Resolution 10

To declare a final dividend of 1.20p per ordinary share for the year ended 31 May 2024.

Resolution 11

THAT:

The Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (“the Act”) to exercise all the powers of the Company to allot ordinary shares of 0.1 pence each in the capital of the Company (“ordinary shares”) up to an aggregate nominal amount of £23,639 (being approximately 10% of the issued ordinary share capital of the Company at the date of this Notice) during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) (the “Section 551 period”), but so that the Company may, at any time prior to the expiry of the Section 551 period, make offers or agreements which would or might require ordinary shares to be allotted after the expiry of the Section 551 period and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority had not expired.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Special Resolutions

Resolution 12

THAT:

Subject to the passing of Resolution 11, the Directors be and they are hereby empowered, in accordance with Sections 570 and 573 of the Companies Act 2006 ("the Act"), to allot ordinary shares of 0.1 pence each in the capital of the Company ("ordinary shares") for cash pursuant to the authority conferred on the Directors by Resolution 11 above, and to sell ordinary shares from treasury for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £23,639 (being approximately 10% of the issued ordinary share capital of the Company at the date of this Notice), such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold after the expiry of such power and the Directors may allot or sell ordinary shares in pursuance of such an offer or agreement as if such power had not expired.

Resolution 13

THAT:

The Company is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006 ("the Act")) of ordinary shares of 0.1p each in the capital of the Company ("ordinary shares") provided that:

- a) the maximum number of ordinary shares hereby authorised to be purchased is 35,435,335 (representing 14.99% of the ordinary shares in issue at the date of this Notice);
- b) the minimum price which may be paid for each ordinary share is 0.1p;
- c) the maximum price which may be paid for each ordinary share shall not be more than the higher of: (i) an amount equal to 105% of the average of the middle market quotations of ordinary shares taken from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the contract of purchase is made; and (ii) the higher of the price of the last independent trade in the ordinary shares and the highest then current independent bid for the ordinary shares on the London Stock Exchange;
- d) this authority will (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the Annual General Meeting of the Company to be held in 2025;
- e) the Company may make a contract of purchase for ordinary shares under this authority before this authority expires which will or may be executed wholly or partly after its expiration; and
- f) any ordinary shares bought back under the authority hereby granted may, at the discretion of the Directors, be cancelled or held in treasury and if held in treasury, may be resold from treasury or cancelled at the discretion of the Directors.

Resolution 14

THAT:

A general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Resolution 15

THAT:

Subject to the confirmation of the Court, the Company be and is authorised to cancel the amount standing to the credit of the share premium account of the Company, and the amount by which the share premium account is so cancelled be credited to a distributable reserve which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied.

By order of the Board

Link Alternative Fund Administrators Limited, Secretary

Registered Office: Link Group, Broadwalk House, Southernhay West, Exeter EX1 1TS

19 August 2024

Explanatory Notes to the Notice of Meeting

As a shareholder, you have the right to attend, speak and vote at the forthcoming AGM or at any adjournment(s) thereof. In order to exercise all or any of these rights, you should read the following explanatory notes to the business of the AGM.

Note 1: To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast) members must be entered on the Company's register of members at close of business on 11 October 2024 (or in the event that the meeting is adjourned, only those shareholders registered on the register of members of the Company as at close of business on the day which is 48 hours prior to the adjourned meeting). Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every share of which he/she is the holder.

Any question relevant to the business of the AGM may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance of the meeting via email addressed to the Secretary at diverse_cosec@linkgroup.co.uk.

Note 2: A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to any hard copy form of proxy (if applicable).

A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to different shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share.

A member may instruct their proxy to abstain from voting on any resolution to be considered at the AGM by marking the 'Vote Withheld' option when appointing their proxy. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.

The appointment of a proxy will not prevent a member from attending the AGM and voting in person if he/she so wishes. If you have appointed a proxy and vote at the AGM in person in respect of shares for which you have appointed a proxy, your proxy appointment in respect of those shares will automatically be terminated.

In order for a proxy appointment to be valid, your appointment must be received no later than 11.30 am on 11 October 2024 (being 48 hours prior to the meeting excluding non-working days).

Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Note 3: Members may appoint a proxy online at www.signalshares.com (the "Website") by following the on-screen instructions, in particular at the 'Proxy Voting' link, by no later than the deadline set out in note 2 above. In order to appoint a proxy using the Website, members will need to log into their Signal Shares account or register if they have not previously done so. To register, members will need to identify themselves with their Investor Code, which is detailed on their share certificate or available from the Company's Registrar, Link Group, on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

Note 4: You may request a hard copy form of proxy directly from the Registrar, Link Group, on Tel: 0371 664 0300 or by emailing shareholderenquiries@linkgroup.co.uk.

To be effective, the completed and signed form of proxy must be lodged at the offices of Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) by no later than the deadline set out in note 2 above. Alternatively, you may send any document or information relating to proxies to the electronic address indicated on the form of proxy.

To appoint more than one proxy using a hard copy form of proxy, you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If possible, all forms should be returned together in the same envelope.

Note 5: CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent ID RAI0 by the latest time for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Note 6: If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.30am on 11 October 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Note 7: In the case of joint holders of a share, where more than one of the joint holders purports to appoint a proxy (in hard copy, by electronic means or through CREST or Proxymity), the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority shall be determined by the order in which the names of the holders stand in the register. For a proxy appointment submitted by hard copy, the signature of only one of the joint holders is required on the form of proxy.

Note 8: To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see note 2) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

Note 9: In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Group no later than 11.30am on 11 October 2024. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid.

Note 10: A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 ("the Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in note 2 above do not apply to a Nominated Person. The rights described in this note can only be exercised by registered members of the Company.

Note 11: As at 16 August 2024 (being the latest practicable day prior to the publication of this notice), the Company's issued share capital consisted of 50,000 non-voting management shares and 236,393,165 ordinary shares, carrying one vote each, none of which were held in treasury. Therefore, the total number of voting rights amounted to 236,393,165 votes.

Note 12: Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Note 13: Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Note 14: In accordance with Section 319A of the Act, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

a) to do so would:

- (i) interfere unduly with the preparation for the meeting; or
- (ii) involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Shareholders are encouraged to submit any questions in advance of the meeting via email addressed to the Secretary at diverse_cosec@linkgroup.co.uk, as detailed in note 1.

Note 15: Members satisfying the thresholds in Section 338 of the Act may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.

Note 16: Members satisfying the thresholds in Section 338A of the Act may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.

Note 17: The Annual Report incorporating this Notice of AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the dates of this Notice will be available on the Company's website, www.diverseincometrust.com.

Note 18: None of the Directors has a contract of service with the Company. A copy of the letters of appointment of the Directors will be available for inspection at the registered office of the Company and can be requested from the Company Secretary during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

Note 19: You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE DISCLOSURES

Alternative Investment Fund Managers' Directive Disclosures

The provisions of the Alternative Investment Fund Managers Directive ('AIFMD') took effect on 22 July 2014. That legislation requires the AIFM to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

Pre-Investment Disclosures

The AIFM is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment can be found at www.diverseincometrust.com/documents.

AIFMD Leverage Limits

The maximum level of leverage which the Manager may employ on behalf of the Company and the levels as at 31 May 2024 are set out below. A figure of 100% means that the exposure is equal to the net asset value and the AIF has no leverage.

Leverage exposure	Maximum gross leverage	Maximum commitment
Maximum Level	200%	200%
Actual Level	100%	100%

Remuneration Disclosure

Premier Portfolio Managers Limited (the 'AIFM') is part of a larger group of companies within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The policies are designed to reward long-term performance and long term profitability.

Within the group, all staff are employed by the parent company with none employed directly by the AIFM. The costs of a number of individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals who are fully or partly involved in the activities of the AIFM in relation to Alternative Investment Funds, including the Company ('AIFs'), including those whose time is allocated between group entities, for the financial year ending 30 September 2023, is analysed below:

Fixed Remuneration	£5,021,933
Variable Remuneration	£2,298,473
Total	£7,320,406

Weighted FTE Headcount: 53.

12 of the staff members included in the total remuneration figures above are considered to be senior management or others whose actions may have a material impact on the risk profile of the fund. The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:

Significant Influence Functions	£2,588,863
Senior Management Functions	£223,783
Other staff	£4,507,760
Total	£7,320,406

The staff members included in the above analysis support all the funds managed by the AIFM. It is not considered feasible or useful to attempt to apportion these figures to individual AIFs.

The AIFM's management have reviewed the general principles of the remuneration policy and its application in the last year which has resulted in no material changes to the policy.

GLOSSARY

AIC

The Association of Investment Companies.

AIM

The Alternative Investment Market is a sub-market of the London Stock Exchange. It allows smaller companies to float shares with a more flexible regulatory system than applicable to the main market.

Alternative Performance Measure (“APM”)

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

The Company uses a number of APMs to provide information in order to assist the Board and Manager in monitoring the Company in order for them to meet the objectives of the Company including the management of risk. These consist of, but are not limited to, key performance and financial performance indicators set out in the various relevant parts of the Report. APMs are identified by an * in the Glossary

Annual General Meeting (“AGM”)

All public companies have an AGM every year, and this is the opportunity for the shareholders to confirm their approval of the Annual Report and financial statements, the annual dividend and the appointment of the Directors and Auditor. It is also a good time for shareholders to meet the non-executive Directors. The Company's AGM will be held on Tuesday, 15 October 2024 at 11.30 am at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH. One of the fund managers will give shareholders a presentation on the current position of the Company's portfolio and some thoughts on the market outlook.

AQUIS Stock Exchange (“AQUIS”)

The AQUIS Stock Exchange (previously known as NEX, ICAP Securities and Derivatives Exchange or ISDX) operates two primary traded market segments, the AQUIS Stock Exchange Main Market and the AQUIS Stock Exchange Growth Market. Both AQUIS Stock Exchanges are focused on smaller enterprises, with the latter focused on both smaller and medium-sized enterprises.

Deutsche Numis Indices

Deutsche Numis provides a range of indices covering the entire UK equity market. Those mentioned in the report comprise the following:

The Deutsche Numis All-Share Index contains all fully listed stocks plus all stocks listed on AIM. This is one of the trust's comparator indices.

The Deutsche Numis Large Cap Index targets the top 80% of the UK main list by value.

The Deutsche Numis Mid Cap Index targets the bottom 20% of the UK main market but excludes the smallest 5%. There is some overlap with the Deutsche Numis Smaller Companies Index below.

The Deutsche Numis Smaller Companies Index or DNSCI targets the bottom 10% of the main UK market by value.

The Deutsche Numis Smaller Companies plus AIM Index includes all the constituents of the DNSCI and all companies listed on AIM that fall below the DNSCI size cut-off. This is one of the trust's comparator.

The Deutsche Numis Alternative Markets Index covers all companies listed on qualifying alternative markets.

Discount/Premium

If the share price of an investment trust is lower than the NAV or Adjusted NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the Adjusted NAV per share and is usually expressed as a percentage of the Adjusted NAV per share. If the share price is higher than the Adjusted NAV per share, this situation is called a premium.

Premium/(Discount) Calculation	Page	31 May 2024	31 May 2023
Closing Adjusted NAV per share (p)	4	97.84	88.87 (a)
Closing share price (p)	4	89.40	83.40 (b)
Premium/(discount) c = $\frac{(b - a)}{a} \times 100$ (%)	4	(8.63)	(6.16) (c)

The discount/premium and performance is calculated in accordance with guidelines issued by the AIC. The discount/premium is calculated using the NAV per share inclusive of accrued income with debt at market value.

Dividend Yield*

The annual dividend expressed as a percentage of the mid market share price. This financial ratio shows how much an investment pays out in dividends relative to its stock price. The dividends are based upon historic dividend rates and announcements by the investment company. The dividend yield indicates the anticipated future cashflows from the investment contributing to the income of the Group.

Financial Conduct Authority (“FCA”)

This regulator oversees the fund management industry, including the operation of the Company.

Financial Reporting Council (“FRC”)

The FRC regulates UK auditors and provides guidance to accountants with the aim of promoting better transparency and integrity in the annual reports of quoted businesses.

Gearing

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately because the debt remains the same. If the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Group

The Company and its subsidiary; DIT Income Services Limited.

Growth Stock

A stock where the earnings are expected to grow at an above-average rate, leading to a faster than average growing share price. Growth stocks do not usually pay a significant dividend.

Key Performance Indicators (“KPIs”)

KPIs are a short list of corporate attributes that are used to assess the general progress of the business and are outlined in this Report on the inside front cover.

Mega Cap

“Mega cap” is a designation for the largest companies in the investment universe as measured by market capitalisation, generally those above \$200bn.

Multicap

A multicap strategy is a portfolio invested in a broad range of stocks with market capitalisations ranging from large to small.

Net Asset Value per Ordinary Share (“NAV”) or Adjusted Net Asset Value per Ordinary Share (“Adjusted NAV”)*

The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The NAV per share is calculated by dividing the shareholders' funds by the number of Ordinary Shares in issue excluding treasury shares.

The Adjusted NAV is the NAV presented in the financial statements adjusted to exclude the movement in Redemption Pool liability. The Redemption Pool liability at the Balance Sheet date of £77,930,00 is determined by assets notionally attributable to the Redemption Pool, being equivalent to the final payment to redeeming shareholders during July 2024 and is included as an adjusting event. The assets of the Redemption Pool although notionally separated are included within the Financial Statements of the Company and Group and Fair Valued at 31 May 2024. The reduction in value of assets from 31 May 2024 to realisation during July 2024 is £2,418,000 reducing the liability to the Group, hence the liability is reduced as an Adjusting Event.

GLOSSARY CONTINUED

The Adjusted NAV of 97.84p reflects the value per share of the Continuing Shareholders excluding any impact of the Redemption Pool. The Redeeming Shareholders whose shares were cancelled on 31 May 2024 received 94.86p per share during July 2024.

	£'000	Pence per share
Net asset value	233,817	98.87
Movement in Redemption Pool liability recorded as part of year's results	(2,418)	(1.03)
Adjusted NAV excluding Movement in Redemption Pool	231,399	97.84

Ongoing Charges*

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average daily net assets of the Group during the year.

	31 May 2024 £'000	31 May 2023 £'000	
Ongoing Charges Calculation			
Management fee	2,365	2,931	
Other expenses	856	846	
Less non-recurring fees	(14)	(5)	
Total recurring expenses	3,207	3,772	(a)
Average net assets in the year	282,251	346,189	(b)
Ongoing charges c = ((a/b)×100) (%)	1.14	1.09	(c)

Peer Group

Diverse is part of the AIC's UK Equity Income Investment Trust sector. The trusts in this universe are defined as trusts whose investment objective is to achieve a total return for shareholders through both capital and dividend growth. Typically, the funds will have a yield on the underlying portfolio ranging between 110% and 175% of that of the Deutsche Numis All-Share Index. They will also have at least 80% of their assets in UK listed securities.

Price to Book Ratio

The price to book ratio is a valuation measure which divides a company's share price by its asset value per share. Lower values can imply that a company is either an overlooked opportunity or a poorly performing business. Higher values may suggest a company is overvalued, unless its returns are sustainably high.

Put Option

The Group held a FTSE 100 Put Option during the year, a derivative contract in which the underlying value is based on the level of the FTSE 100 index. When the Group's portfolio appreciates, along with the mainstream Stock Market, the value of the Put Option goes down. The key advantage of investing in a FTSE 100 Put Option is that at times of major market setbacks, the valuation of the Put Option rises, which can then offset a part of the decline of other portfolio holdings. During the March 2020 setback for example, the Trust was able to take profits on its FTSE Puts after they had risen. It then bought more UK micro-caps with the additional cash generated, at a time when their share prices were low. This process boosted the returns of the Trust through the market setback and the subsequent recovery.

Put Options are most commonly used in the stock market to protect against the decline of the price of a stock below a specified, Strike Price, likened to purchasing a form of financial insurance. An owner of a Put Option can collect a financial benefit after an adverse event, with the scale of the benefit proportionate to the setback in the market and the remaining term of the cover. When investing in a FTSE 100 Put Option, the Strike Price is the level at which the option starts to provide portfolio protection. If a Put Option has a Strike Price of 5,700 for example, and the level of the FTSE 100 Index is lower, the portfolio collects the difference between the two. A Put Option also carries value in respect of its unexpired time value, reflecting the length of its term.

Redemption

The Board resolved to effect the Redemption using the redemption pool method set out in the Company's Articles, pursuant to which notionally divided its assets and liabilities into two pools, the Redemption Pool and Continuing Pool, with the returns attributable to the respective Redemption and Continuing shareholders at the Redemption Point, 31 May 2024. The amount payable to former holders of Redemption Shares, are creditors of the Company, will be determined by value of the Redemption Pool upon realisation of the assets and liabilities. The performance of the Redemption Pool will not impact the returns to continuing shareholders.

Revenue, Capital and Total return per Ordinary share*

The Revenue, Capital and Total returns are set out in the in the Consolidated Income Statement on page 58. These consist of income, less expenses and taxation allocated between Revenue and Capital in accordance with the AIC SORP and accounting policies of the Group. The Revenue and Capital returns per share together comprise the Total return per share. The returns per ordinary share are calculated by dividing the Revenue, Capital and Total returns by the weighted average shares in issue during the year excluding treasury shares. The calculation is set out in Note 7 on page 71.

Senior Independent Director ("SID")

The SID is a non-executive Director who can be contacted by investors to discuss a matter of governance when it concerns the Chairman and the normal practice cannot be followed. The Company's SID is currently Caroline Kemsley-Pein.

Smallcap

"Small cap" refers to quoted smaller market capitalisation companies, which typically have little or no weighting in mainstream indices.

SONIA (Interest Rate)

Sterling Overnight Index Average

Total Annual Dividends Declared by the Company

In reference to the graph on total annual dividends declared by the Company on page 5, the figure of 2.02p for 2012 represents 2.19p, which was the total of the four interim dividends to 31 May 2012, recalculated proportionally as if the initial period had been 12 months.

In order to allow shareholders to vote on the dividend, a final dividend was introduced in the year ended 31 May 2015, resulting in the payment of five dividends for that year. Since then, the Company has paid three interim dividends and a final dividend in respect of each year.

Total Assets

Total assets include investments, cash, current assets and all other assets. An asset is an economic resource, being anything tangible or intangible that can be owned or controlled to produce value and to produce positive economic value. Assets represent the value of ownership that can be converted into cash. The total assets less all liabilities will be equivalent to total shareholders' funds.

GLOSSARY CONTINUED

Total Return – NAV and Share Price Returns

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The total return measures the combined effect of any dividends paid, together with the rise or fall in the share price, NAV or adjusted NAV. This is calculated by the movement in the share price or NAV plus dividends paid by the Company assuming these are re-invested in the Company at the prevailing NAV.

Adjusted NAV Total Return	Page	31 May 2024	31 May 2023
Closing Adjusted NAV per share (p)	4	97.84	88.87
Add back total dividends paid in the year ended 31 May 2024 (2023) (p)	69	4.15	4.00
Closing Adjusted NAV (p)		101.99	92.87 (a)
Opening NAV per share (p)	4	88.87	110.55 (b)
Total return $c = ((a-b)/b) \times 100$ (%)		14.76	(15.99) (c)
Adjusted total return %*		15.40	(16.15)
NAV total return %**		16.50	–

Share Price Total Return	Page	31 May 2024	31 May 2023
Closing share price (p)	4	89.40	83.40
Add back total dividends paid in the year ended 31 May 2024 (2023) (p)	69	4.15	4.00
Adjusted closing share price (p)		93.55	87.40 (a)
Opening share price (p)	4	83.40	103.00 (b)
Share price total return $c = ((a-b)/b) \times 100$ (%)		12.17	(15.15) (c)
Share price total return adjusted %*		12.71	(15.37)

* Based on NAV/share price movements and dividends being reinvested at the relevant cum dividend NAV/share price during the year. Where the dividend is invested and the NAV/share price falls, this will further reduce the return or, if it rises, any increase will be greater. The source is Morningstar who have calculated the return on an industry comparative basis.

**The NAV total return of 16.5% is derived from the Adjusted NAV total return of 15.4% from Morningstar plus 1.1%, being the incremental return from difference between the Net asset value of 98.87p and the Adjusted NAV of 97.84p (see Glossary on page 96 and 97 regarding NAV and Adjusted NAV for more details).

Volatility

The term volatility describes how much and how quickly the share price or net asset value of an investment has tended to change in the past. Those investments with the greatest movement in their share prices are known as having high volatility, whereas those with a narrow range of change are known as having low volatility.

Yield Stock

Yield stocks pay above-average dividends to shareholders. If the dividend grows, and the yield on the share remains constant, the share price will increase. Companies which grow their dividends faster than average are capable of delivering faster share price growth.

CONTACT DETAILS OF THE ADVISERS

Secretary and Registered Office

Link Alternative Fund Administrators Limited
(a Waystone Group company)
Broadwalk House
Southernhay West
Exeter EX1 1TS
Telephone: 01392 477500

Alternative Investment Fund Manager

Premier Portfolio Managers Limited
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

Investment Manager

Premier Fund Managers Limited
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

Telephone: 020 3714 1525

Website: www.premiermiton.com

Company Website

www.diverseincometrust.com

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Banker

Bank of New York Mellon
One Piccadilly Gardens
Manchester M1 1RN

Depository and Custodian

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Registrar and Transfer Office

Link Group
Shareholder Services Department
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone: 0371 664 0300

(calls are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate).

Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

Email: shareholderenquiries@linkgroup.co.uk

Website: www.linkgroup.eu

Solicitor

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Stockbroker

Panmure Liberum Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London EC2Y 9LY

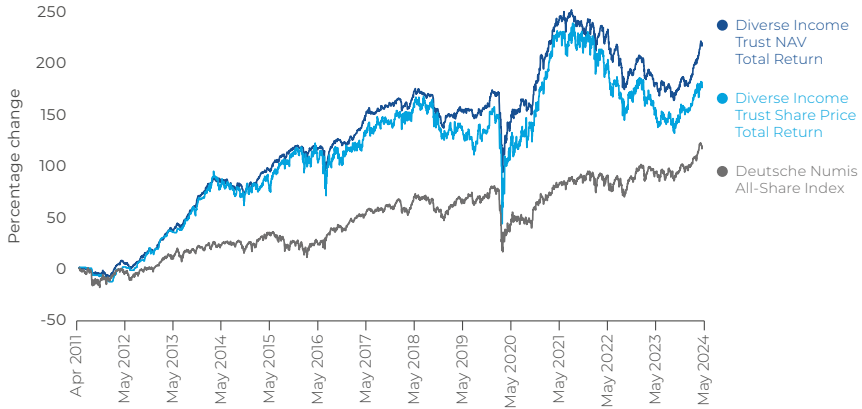
Shareholder Warning

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These calls typically come from fraudsters operating in 'boiler rooms' offering investors shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. While high profits are promised, those who buy or sell shares in this way usually lose their money. These fraudsters can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

It is very unlikely that either the Company or the Company's Registrar would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

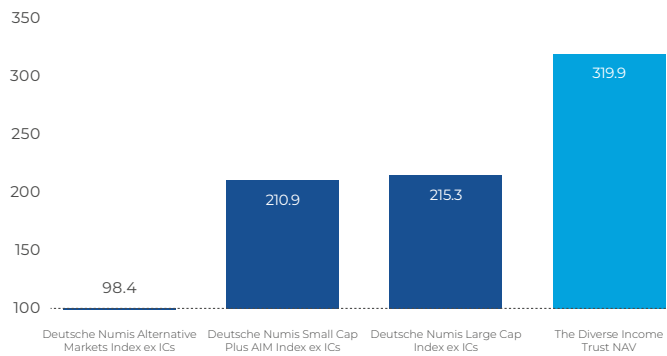
If you have been contacted by an unauthorised firm regarding your shares, you can report this using the FCA helpline on 0800 111 6768 or by using the share fraud reporting form at www.fca.org.uk/consumers/scams.

COMPANY PERFORMANCE SINCE LAUNCH ON 28 APRIL 2011



Source: Morningstar

TOTAL RETURNS OF THE TRUST AND VARIOUS DEUTSCHE NUMIS INDICES BETWEEN APRIL 2011 AND MAY 2024, REBASED TO 100 TO REFLECT THE INITIAL INVESTMENT



Source: Morningstar

"ICs": Investment Companies

Premier Miton
INVESTORS

Eastgate Court
High Street
Guildford
Surrey GU1 3DE