

The Diverse Income Trust plc

**“Superior returns via good and
growing dividends”**

Half-Yearly Report for the period
to 30 November 2024

Company No: 07584303



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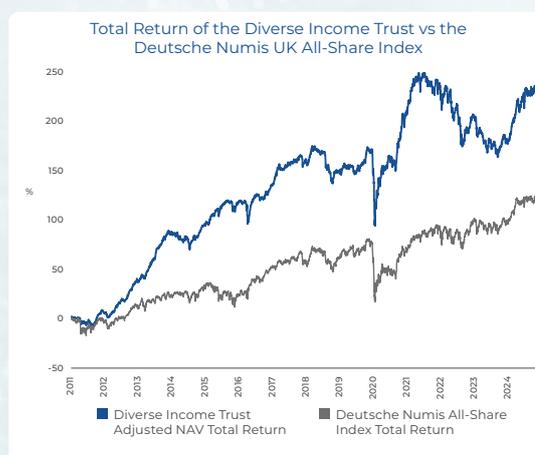
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Cover photograph: TP ICAP, a financial services company, used with permission.

Objectives and outcomes since April 2011

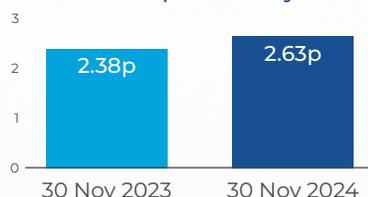
The Diverse Income Trust aims to deliver **good and growing** total returns, by investing in a wide range of **good and growing** companies, which are expected to produce **good and growing** dividends.



Source: Morningstar

Summary of Trust Financial Results over the half-year to November 2024

Revenue return per ordinary share¹



31 May 2024 (full year): 4.35p

Ordinary dividends per ordinary share



31 May 2024 (full year): 4.25p

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 4 to 8. Revenue return per ordinary share, NAV per ordinary share and Discount to NAV defined in the Glossary on pages 28 to 30. Ordinary shares in issue as at 30 November 2024: 236,393,165 (2023: 318,540,642)

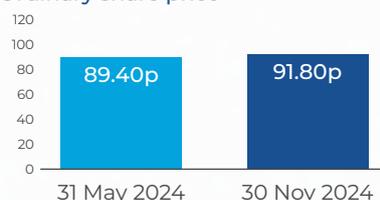
NAV per ordinary share¹



change: 1.4%

30 November 2023: 85.61p

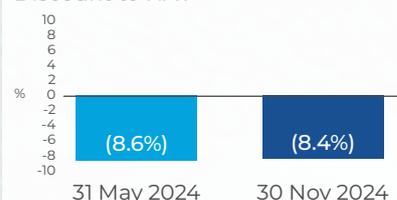
Ordinary share price



change: 2.7%

30 November 2023: 79.40p

Discount to NAV¹



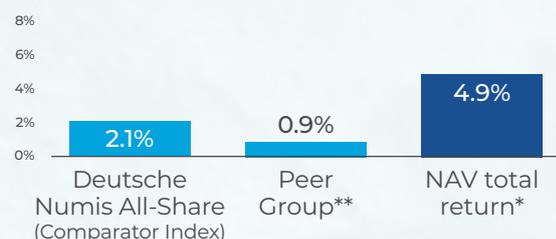
30 November 2023: (7.3%)

Key Performance Indicators

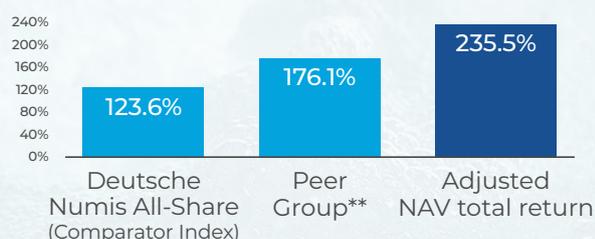
to 30 November 2024

The Board uses the following KPIs to assess the success of the Company's strategy and its outcome for shareholders. Throughout this report we refer to Adjusted NAV which is the calculated NAV prior to recognising a movement attributable to the redemption pool as detailed in the Glossary on page 29. The NAV including the movement is shown below and is also detailed in the Glossary.

Adjusted NAV total return^{*^}



Since launch to 30 November 2024



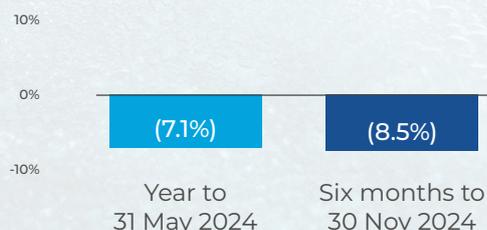
Dividend Growth*

2.5%

Dividend increased from 2p to 2.05p

The Trust has maintained an unbroken good and growing dividend record since launch in April 2011.

Average Discount to NAV*



Since launch to 30 November 2024: (1.4%)

Over the thirteen years and seven months since listing, the Company's share price has largely matched its NAV. The Trust's discount over the past 6 months reflects how unloved UK equities remain.

Ongoing charges*



The Trust employs a multicap** strategy that requires intensive, frequent direct engagement with company management.

* Alternative performance measure. Defined in the Glossary on page 28.

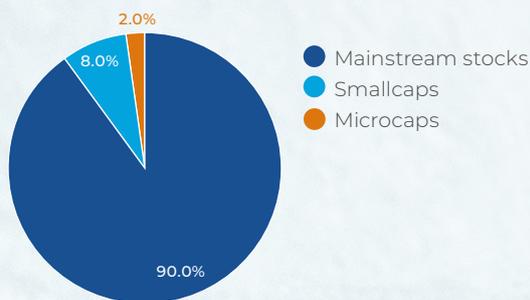
** Defined in the Glossary.

^ Based on return before redemption pool adjustment.

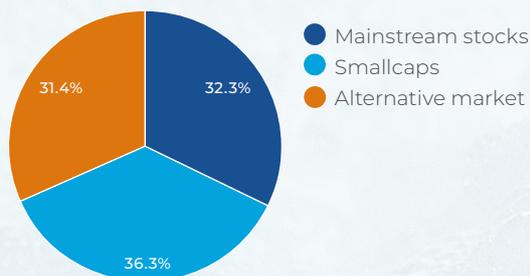
Depth and Opportunity

Portfolio weightings by market capitalisation as at 30 November 2024*

A summary of the investment universe of the Deutsche Numis All-Share Index



A summary of the Trust's portfolio in terms of different market capitalisations



Source: Deutsche Numis, Premier Miton

* The Deutsche Numis indices are defined in the Glossary.

- As highlighted in the second pie chart above, the Trust intentionally invests over the full range of UK quoted companies.
 1. The broader nature of the Trust's portfolio has the potential to greatly outperform most others that restrict their investment universe solely to larger and mid-cap sized companies.
 2. In addition, portfolio diversification is greatly improved by investing across the full range of industry sectors as well as market capitalisations. At times of market stress, diversification typically provides a degree of resilience.
- Typically, smaller companies outperform larger companies over the longer term. Fewer professional investors actively research them some stand at heavily overlooked valuations.
- In spite of the usual longer-term trend, recently, smallcap returns have been greatly outpaced by the large technology companies known as the Magnificent 7.
- Whilst the current trend could persist for a little longer, in the past it has normally concluded with a period of substantial smallcap outperformance.
- In addition, during globalisation, the share prices of numerous highly ambitious quoted companies have regularly outpaced the returns of those growing less rapidly that deliver a major part of their total return through paying regular and growing cash dividends.
- The UK exchange mainly comprises equity income stocks, and when the global economy was troubled between 1965 and 1985 for example, the UK stock market greatly outperformed international comparatives including the US.
- We anticipate that smallcap and equity income strategies will outperform again when market drivers broaden and investors become valuation focused. Then the NAV would be expected to close, further boosting shareholder returns.

The Diverse Income Trust plc

to 30 November 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 objective and appoints Premier Miton Managers Limited ('PPM' or the 'Manager') to manage the Trust. The Board is independent of the Manager.

In the period to 30 November the adjusted NAV total return of the Trust was **4.9%**, which compares with:

2.1% Deutsche Numis All-Share Index;

-2.3% Deutsche Numis Smaller Companies plus AIM Index (excluding Investment Companies); and

0.9% Peer Group*.

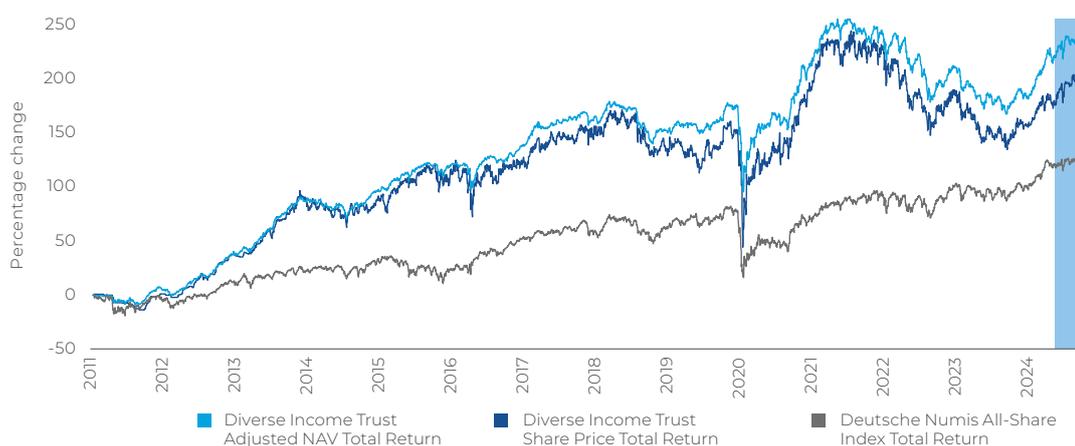
Since inception the adjusted NAV total return of the Trust has been **235.5%**, compared with:

123.6% Deutsche Numis All-Share Index;

106.1% Deutsche Numis Smaller Companies plus AIM Index (excluding Investment Companies); and

176.1% Peer Group*.

Company performance since launch on 28 April 2011



Source: Morningstar

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



This report covers the half year to November 2024, a period punctuated by elections across most of the developed world. Whilst some resulted in unexpected drama, there was little surprise in the UK's change of government. Inflation continued to wane and, with it, interest rates began to fall in the UK and elsewhere. Economic growth remained robust in the US with activity elsewhere advancing only modestly. Market returns continued to be dominated by a narrow range of US technology giants (the so-called "Magnificent Seven") although there were signs at the end of the period that the prospect of lower interest rates and hopes for better economic growth in 2025 was encouraging investors to look more widely for returns.

Half-year returns

The Trust's adjusted NAV total return was 4.9% over the half year, ahead of the total return of the Deutsche Numis All-Share Index which was 2.1%, and that of the Peer Group which rose 0.9%. The share price total return was 5.3%.

Despite an improving interest rate environment, the share prices of smaller companies and AIM stocks remained under pressure. Although the UK economy grew at a modest rate (putting behind earlier fears of recession) there was persistent selling of UK equities by domestic investors, amid uncertainties over forthcoming tax rises by the new government, during the prolonged lead-up to the October Budget. Total returns on the Deutsche Numis Smaller Companies (ex-ITs) + AIM Index and the Deutsche Numis Alternative Markets Index both fell (by 2.3% and 8.6% respectively), against the positive trend in the overall UK market.

The Trust's revenue earnings per share over the half year to November 2023 rose 10.5% to 2.63p, which compares with 2.38p last year. The Board has already declared a first interim dividend of 1p per share for the current year which, together with the second interim dividend of 1.05p declared with these results means that shareholder dividends for the period are 2.5% ahead of those declared in respect of the same period of the 2023-24 financial year. It is anticipated that, in combination, the four dividends for the current year will represent an increase over those paid a year earlier.

Returns since the Trust was first listed in April 2011

It has been encouraging to see a return to outperformance by the Company's portfolio over the past year, after a variable period during the UK market's volatility in recent years, buffeted by pandemic-related and political factors. Over the thirteen years and seven-month period since issue, the Trust's shareholders have enjoyed a NAV total return of 235.5%, and a share price total return 196.2%, well ahead of the comparable figures of 190.0% and 176.1% for the NAV and share price return of the peer group and of 123.6% for the Numis All-Share Index.

Share Issuance and Redemptions

The Company's discount was little changed, starting at 8.6%, ending at 8.4% and averaging 8.5% during the reporting period. Since November, sector discounts have remained under pressure while the Company's discount has narrowed and at the time of writing stood at 7%. Although a discount has persisted since 2019, since launch in 2011 the Trust has on average traded close to its NAV, at an average discount of 1.4%.

The UK investment trust sector's discount rating has been affected by the multi-year net selling of UK equities by UK institutions (motivated by regulations on solvency and volatility) and overseas investors (whose focus has been on US technology companies, with UK political factors adding a local deterrent). Although there are early signs that outflows are stabilising, the uncertainties ahead of and in the wake of the first budget of the new Labour government have dampened enthusiasm for UK equities. Investment trust discounts remain wider than historical norms as a result.

The Company operates an annual redemption facility, enabling investors to redeem part or all of their holding at either the prevailing net asset value at the redemption point, or (if a redemption pool is created) the realised value of the assets attributable to the redeeming shares. At the end of May 2024, 82.1m shares (25.8% of the issued share capital) were tendered for redemption, with the proceeds from the redemption pool being distributed on 24 July 2024.

As notified in the 2024 Annual Report, the date of this annual redemption is moving from the end of May to the end of August, to separate the administration and accounting for any redemption from the preparation of the financial statements and annual report for the year. Accordingly, shareholders will be able in July 2025, if they so wish, to elect to redeem shares at the next redemption point which will be 29 August 2025.

Investment Strategy

The Board continuously reviews the Company's strategy and approach to ensure it remains relevant and appropriate, with one Board meeting a year being specifically set aside for this. This meeting was held in November 2024 and after detailed discussion the appropriateness of the Manager's approach reaffirmed. The Board grants the Manager considerable discretion to vary, for example, the number of stocks in the portfolio and this does change as highlighted in the Manager's Report on page 11. Premier Miton continue to adjust their approach as circumstances dictate within the bounds set by the Board.

Prospects

Despite the enthusiasm evident in a US market regularly hitting new all-time highs, sentiment has remained relatively sober elsewhere, reflecting lacklustre economic growth outside North America, the geopolitical uncertainties from conflicts in Europe and the Middle East, unstable political conditions in major European countries and macro-economic uncertainty ahead of the new US administration's tariff proposals.

Notwithstanding these risks, as noted in recent reports, the UK market has been sidelined in investors' preferences for many years. This has been disproportionate to the operational performance of UK quoted companies. As a result, on a number of key measures, the UK equity market has become lowly rated relative to international comparators, particularly the US market. Within the UK market, many smaller companies have suffered more severe derating due to their invisibility to larger institutional investors.

Although the growth rates of most UK companies do not approach those of the technology leaders in the US, nor do UK share valuations which, relative to their own history, appear modest.

Investments in UK funds recently saw a first monthly inflow, after 41 consecutive monthly outflows. With valuations looking attractive relative to other regions, with the regulatory discussion shifting towards encouraging investment in the UK market and with UK and global interest rates on a declining trend, the prospective risk-reward from UK equities, particularly the neglected second liners and smaller companies, warrants consideration on a contrarian view. Our Managers are exceptionally positive on the outlook for the portfolio, as discussed in their report.

Andrew Bell

Chairman
10 February 2025

Investment Manager's Report

The day-to-day fund managers with the responsibility for the makeup of the Trust's portfolio.



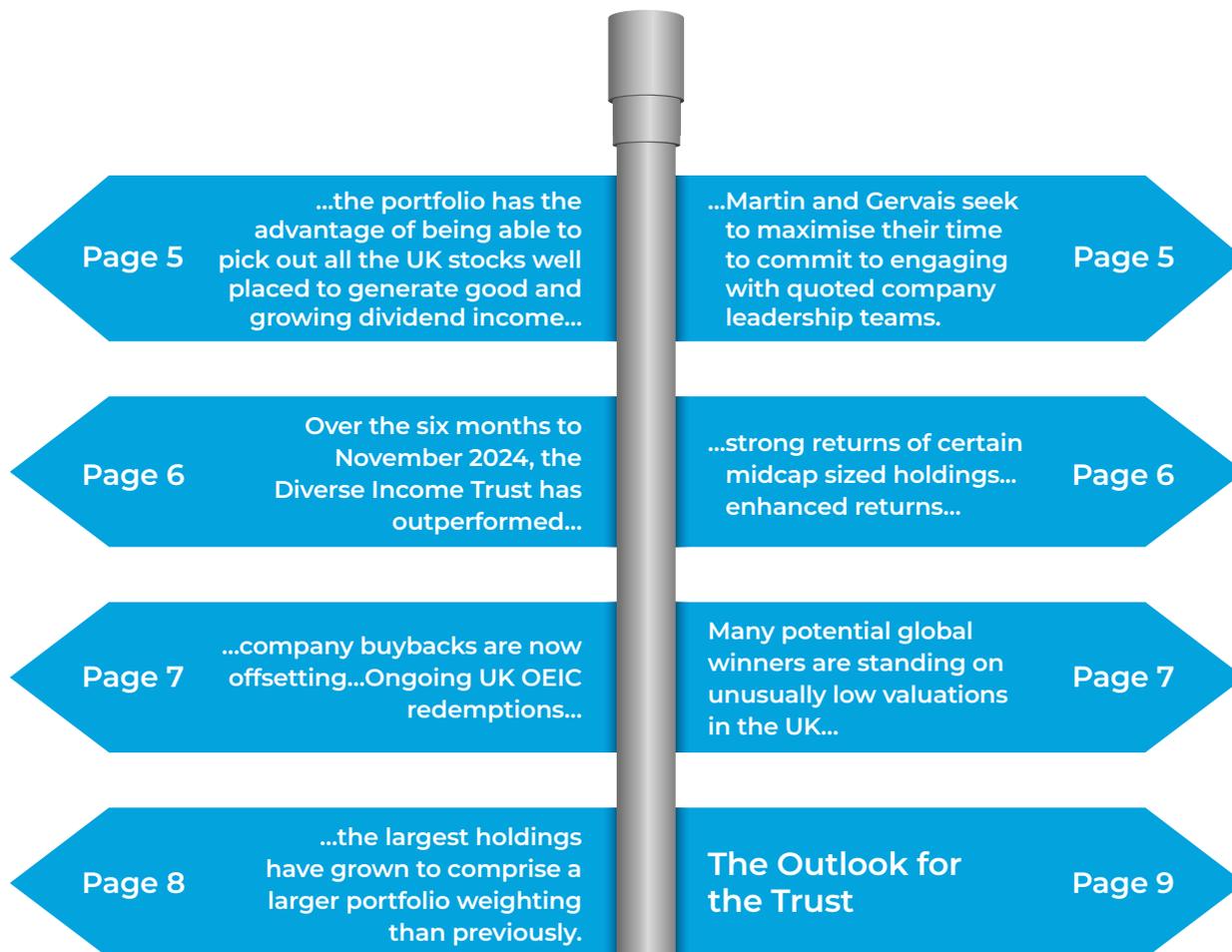
Gervais Williams

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.



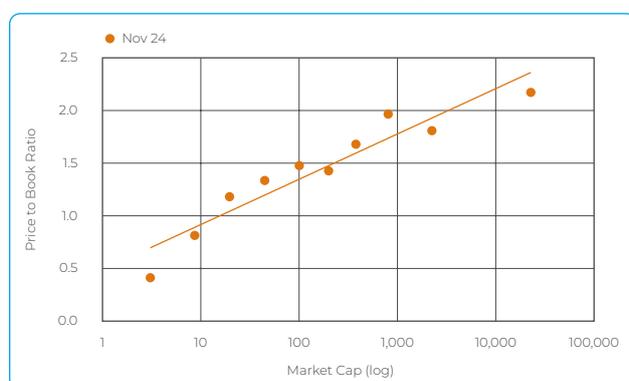
Martin Turner

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.



Being a multicap strategy, the portfolio has the advantage of being able to pick out all the UK stocks well placed to generate good and growing dividend income across the full range of market capitalisations.

Line depicting the valuation of the UK stock market universe, showing the valuations of the quoted stocks across the market capitalisation range.



Source: Premier Miton

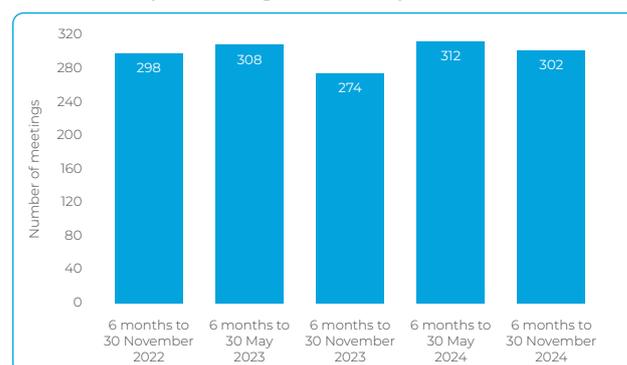
In the chart above, valuation is quantified via the Price to Book ratio which relates the market capitalisation of a quoted company to the capital it has invested. Generally, low ratios imply low investor expectations.

The Trust's portfolio can consider investing in all the stocks listed in the UK, including those that are large, but alongside those that are mid-sized or smallcaps.

This is known as multicap strategy, and the portfolio has the advantage of being able to include all the stocks that are well-set to pay out good and growing dividends, irrespective of the current scale of their business. The chart above highlights that typically, smaller quoted companies currently stand on lower valuations, which means when they succeed and get bigger, their share price return is amplified by their valuation rising as well as their earnings and dividends.

We believe that the best opportunity for adding value is via listening and then questioning corporate management teams directly. In that regard, we typically seek to maximise the time they commit to engaging with quoted company leadership teams.

The bar chart below denotes the number of face-to-face company meetings that Gervais Williams and Martin Turner held in the past 6 months, and in the four preceding 6-month periods.*



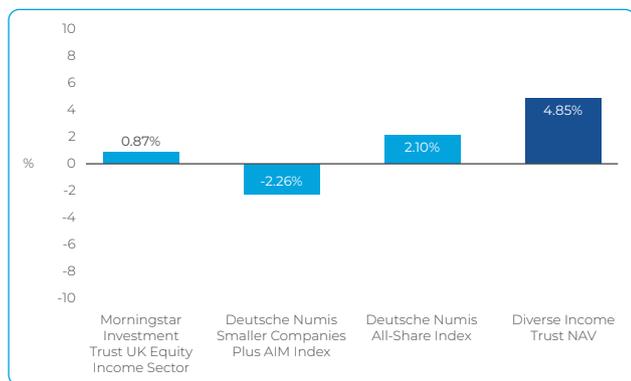
Source: Premier Miton

*This does not include conferences.

Investment Manager's Report continued

Over the six months to November 2024, the **Diverse Income Trust** has outperformed the various comparative indices.

Total returns of the Trust vs the Peer Group and its comparator indices over the past 6 months



Source: Morningstar

In the half year to November 2024, the NAV of the Trust rose 4.9% in adjusted total return terms, the Peer Group, rose by 0.9%, whilst the Deutsche Numis All-Share Index rose by 2.1%, and the Deutsche Numis Smaller Companies Plus AIM Index fell 2.3%.

The Trust's total return comprises both the accumulation of its cash dividends, that in general have risen progressively since issue in April 2011, plus the change in the Trust's NAV which normally fluctuates daily. Overall, the Trust's longer term objective has been to generate growing revenues, and it has succeeded since issue in paying a stream of progressively growing cash dividends to shareholders. In contrast, stock market prices vary considerably over time, so the NAV returns are more variable, while having delivered outperformance since inception, as well as during the current reporting period.

The multicap nature of the strategy has enhanced returns because much of the half year outperformance was related to the strong returns of **certain midcap sized holdings**, along with **relatively few disappointments**.

The principal contributors to and detractors from performance over the half year to November 2024

	Contribution to return %
Largest 5 contributors to performance	
XPS Pensions Plc	1.17
Paypoint	1.14
Galliford Try Holdings Plc	1.09
Pan African Resources Plc	0.87
Just Group	0.69

Largest 5 detractors from performance	
Zotefoams	-0.53
CT Automotive Group	-0.47
Inspired	-0.37
Sabre Insurance Group	-0.36
Man Group	-0.35

Source: Premier Miton

One of the features of the UK exchange is that it comprises numerous smaller companies, as well as large and midcaps. While the fluctuations of mid and smallcap share prices are often somewhat uncorrelated with those of the majors, over the longer term as a group they tend to outperform.

Ongoing institutional redemptions are still depressing the share prices of UK quoted companies and hence their valuations, but company buybacks are now offsetting this adverse trend.

After persistent US stock exchange outperformance over decades, many UK investors have sold down UK stocks heavily over the last three years.

Amongst UK-quoted largecaps the ongoing institutional selling of recent years has been offset by an increased willingness to buy back their shares. Whilst some UK smallcaps have also decided to buy back their shares, in general the scale of ongoing institutional selling has overwhelmed buyers, to the extent that their share prices have often declined.

The net effect is that the valuation of the UK exchange has weakened over recent years, which contrasts with others such as the US which have risen. In the Outlook section below, we outline why we believe that global investors will greatly increase their UK capital allocations from here. Given that the UK stock market's valuation is comparatively low, we believe such a change in institutional capital flows would drive considerable outperformance.

Many potential global winners are standing on unusually low valuations in the UK and sometimes their adverse share price momentum and valuation have given a misleading impression.

Many link a rapidly rising share price with a confidence that the underlying company's prospects continue to improve. In this context, if a share price isn't rising well, then it is easy to assume that the prospects for the underlying business are static or unexciting.

In the UK, there are numerous stocks that we believe have the potential to be global winners, with prospects that continue to improve, and yet with the pressure of UK OEIC selling, their absence of share price improvement currently gives a misleading impression.

Stocks that we believe have the potential to be global winners in future, where heavy UK redemptions have led to abnormally low valuations. The list below includes examples brought into the portfolio, or otherwise topped up.

Concurrent Technologies
Cyanconnode
Beeks Financial Cloud
Record
Gulf Marine
Raspberry Pi
Gaming Realms
TruFin
Intercede
Capital Intl

Investment Manager's Report continued

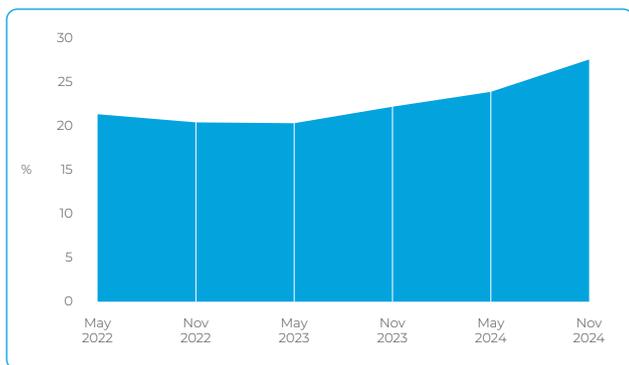
In general, even successful UK stocks have not risen as much as usual with good results, and hence the Trust hasn't taken as much profit on these as yet. Thus, the largest holdings have grown to comprise a larger portfolio weighting than previously.

The following portfolio holdings have been retained even after outperforming and becoming larger portfolio weightings, because their valuations have not yet risen as much as usual during the period of ongoing UK OEIC redemptions.

Holdings	Weightings %
Galliford Try Holdings Plc	3.26
TP ICAP Group Plc	3.07
Paypoint Plc	2.99
CMC Markets Plc	2.95
XPS Pensions Group Plc	2.74
Pan African Resources Plc	2.67
BT Group Plc	2.14
Concurrent Technologies Plc	1.99

Source: Premier Miton

Weighting of the largest 10 holdings at the end of the last six half year periods



Source: Premier Miton

Alongside, with the Trust's largest portfolio weightings increasing, its number of holdings is also reducing, in a trend that we anticipate persisting, such that the number may stabilise around 80 later in the year.

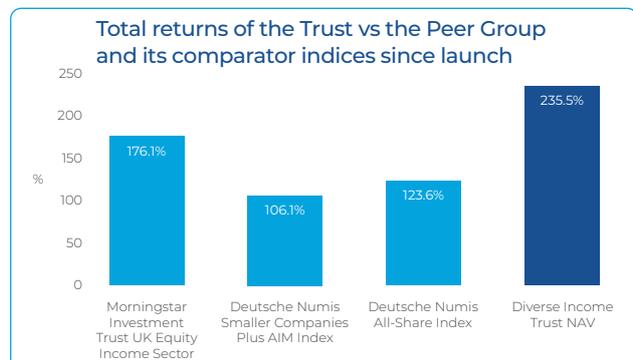
Since 2019, the dividend income paid by UK stock market as a whole has fallen, whereas the Trust's revenue and dividends have grown further through this period.

Despite the aggregate dividend paid by the UK stock market falling since 2019, due to the pandemic, the Trust's revenue per share, and dividends paid to shareholders have been resilient, and continued to grow through the period.



Source: Company

When the trust was first listed, it was always envisaged that if its portfolio generated stronger dividend growth than others over the longer term, then that would also be reflected in superior total returns for shareholders (ie the return of both the stream of cash dividends and the Trust's NAV appreciation together).



Source: Morningstar

Since launch in 2011, the NAV of the Trust rose 235.5% in total return terms, the Peer Group rose by 176.1%, whilst the Deutsche Numis All-Share Index rose by 123.6%, and the Deutsche Numis Smaller Companies Plus AIM Index rose 106.1%.

The Outlook for the Trust

Globalisation was a period when interest rates fell progressively, market liquidity was abundant, and budget deficits were relatively easy to finance.

With nationalism and protectionism however, geopolitical tensions now predominate – along with the open-ended risks that they carry. In addition, with government debt costs rising, plus the extra defence spend and potential unemployment benefit to come in future, legislatures are currently upping their tax take, in a trend that may be set to crowd out others.

Globalisation favoured large and megacaps, such that strategies almost wholly invested in a limited number of industry sectors, via a limited number of large holdings were able to deliver perfectly good customer outcomes. With protectionism from here however, we worry that strategies aligned with the long decades of abundant 'Goldilocks' market liquidity may now deliver poorer outcomes.

The Diverse Income Trust's strategy intentionally contrasts, so that it has the potential to greatly outperform. Specifically, its investment universe covers all equity income stocks, including mid and smallcaps, and deliberately extends across the full range of industry sectors too.

During periods of persistent market liquidity challenge in the past, numerous corporates often ran short of ready cash. In contrast, those generating surplus cash didn't just survive, but had the advantage that they could actively enhance their earnings growth potential. They could fund expansion into the markets vacated by insolvencies. They could acquire over-leveraged but otherwise viable companies – sometimes for as little as £1 – debt-free from the receiver. These deals typically delivered unusually strong returns on capital, such that mid and smallcap deals in particular, could sometimes deliver aggressive earnings upgrades.

For this reason, the UK exchange's large cohort of equity income stocks is overwhelmingly important, given that President Trump's mandate of sweeping change runs the risk of unintended consequences. We believe equity income strategies are now set to gather increasingly expansive capital allocations, making the UK one of the best performing of global exchanges – as it was in the 1970's.

Perhaps of even greater significance, UK-quoted mid and smallcaps greatly outperformed the majors during this decade, delivering returns that comfortably outpaced rising inflation, as well as being very considerably ahead of numerous international comparatives such as the US.

In short, whilst US protectionism may unsettle global stock markets and UK interest rates may remain higher than desired, we view all this positively. A weak UK exchange rate for example, would drive upgrades because the earnings of the largest UK stocks typically have a very large overseas component. Alongside, if companies with weak balance sheets did run into trouble more frequently, then those with strong balance sheets would have the advantage. We believe this would lead to productivity improvements, and quoted smallcap earnings upgrades. From here, even the slightest improvement in UK capital flows may be enough to drive dramatic share price appreciation. Overall, we believe the outperformance latency of the Trust is currently exceptional, and the strongest it has been for decades.

Gervais Williams and Martin Turner

10 February 2025

Portfolio Information

as at 30 November 2024

Galliford Try

Galliford Try is one of the UK's leading construction groups, working to improve the UK's infrastructure and built environment. The company has a notably strong balance sheet, with average net cash balances of £159m (FY25E average) that compares with its market capitalisation of £384m. In some business sectors it is one of the primary suppliers, including UK water where very substantial infrastructure investment is now planned.

Over recent years, Galliford Try's ongoing success has already been reflected in the growth in the cash dividend it has paid to shareholders. It was also successful in appealing to an arbitration about extra costs on a past contract and has therefore paid as a special dividend to shareholders as well.



At its Capital Markets Day in May 2024, Galliford Try highlighted its ambition to increase its profit margin from 2.6% at present to 4.0% by 2030. If it were to meet these targets, then they imply that Galliford Try's profits might grow at a rate of around 15% per annum up to 2030, providing further scope to grow its dividend at a rate well ahead of inflation.

Pan African Resources

Pan African Resources is a mid-scale South African-based gold miner. It mines gold both via underground operations and from surface tailings. Overall, it is one of the lowest cash-cost producers of gold in Southern Africa.

Over recent years, Pan African Resource's ongoing success has been reflected in terms of a growing stream of cash dividends.



Mintails, Pan African Resources' newest mine, has had a strong start, already producing c9,000 oz of gold in the recent half year. Alongside, with the appreciation of the gold price, its operations appear well set to generate considerable additional surplus cash in future.

Yu Group

Yu Group was set up as a new utility supplier of electricity and gas to the UK corporate sector, with an objective of growing market share by delivering service levels that are well ahead of much of its established competition.

Yu Group has grown very considerably over recent years, generating a growing stream of profits, although its success has only recently been reflected in terms of the payment of cash dividends.



Currently, it is estimated that Yu has a market share of around 2.0%, although analysts believe this has the potential to rise circa 7.0% over the coming three to five years. If Yu were to succeed in anything like this scale, then the company would generate considerably greater sums of surplus cash, and its dividend growth has the potential to be unusually strong.

TP ICAP

TP ICAP Group considers itself to be the world's largest inter-dealer broker, alongside its position as the world's largest energy & commodities broker. Typically, the largest global investment banks and investment institutions are its customers, because they value its capacity to assist them in portfolio transactions, both via informative market data, and by offering access to extra market liquidity.

Over recent years, TP ICAP's success has been reflected in the growth in its cash dividend.



In 2025, TP ICAP plans to part-IPO its data and analytics business that is called Parameta Solutions. This will release trapped capital, and underpin the strength of its cash generative credentials, and in doing so provide additional growth potential for its dividend.

Source: Company/market consensus forecasts; yields based on share price at the start of the period (31.05.24)

Rank	Company	Sector & main activity	Valuation £000	% of net assets	Yield %
1	Galliford Try	Industrials	7,681	3.2	4.1
2	TP ICAP	Financials	7,253	3.1	5.6
3	Paypoint	Industrials	7,051	3.0	4.7
4	CMC Markets	Financials	6,960	2.9	3.8
5	XPS Pensions	Financials	6,485	2.7	2.8
6	Pan African Resources**	Basic Materials	6,296	2.7	2.8
7	BT	Telecommunications	5,047	2.1	5.0
8	Concurrent Technologies**	Technology	4,660	2.0	0.7
9	Savannah Energy***	Energy	4,407	1.9	–
10	Kenmare Resources	Basic Materials	4,339	1.8	11.7
Top 10 investments			60,179	25.4	
11	Yu**	Utilities	4,157	1.8	3.1
12	AVIVA	Financials	3,956	1.7	7.1
13	Phoenix	Financials	3,888	1.6	10.4
14	ME Group international	Consumer Discretionary	3,795	1.6	3.6
15	NewRiver REIT	Real Estate	3,791	1.6	8.7
16	Plus500	Financials	3,658	1.5	4.3
17	Sainsbury (J)	Consumer Staples	3,550	1.5	5.0
18	Diversified Energy	Energy	3,487	1.5	7.1
19	Legal & General	Financials	3,480	1.5	9.3
20	MAN	Financials	3,381	1.4	6.1
Top 20 investments			97,322	41.1	
21	FRP Advisory**	Industrials	3,163	1.3	3.4
22	National Grid	Utilities	3,140	1.3	5.5
23	Sabre Insurance	Financials	3,115	1.3	4.5
24	Smurfit WestRock (Formally Smurfit Kappa)	Industrials	3,085	1.3	2.2
25	TruFin**	Financials	3,039	1.3	–
26	M&G	Financials	2,954	1.3	10.0
27	Greatland Gold**	Basic Materials	2,947	1.3	–
28	Tesco	Consumer Staples	2,922	1.2	3.4
29	Just	Financials	2,826	1.2	1.5
30	Conduit Holdings	Financials	2,672	1.1	5.2
Top 30 investments			127,185	53.7	
31	Intercede**	Technology	2,624	1.1	–
32	Vodafone	Telecommunications	2,554	1.1	7.9
33	Norcros	Industrials	2,487	1.0	4.1
34	Tatton Asset Management**	Financials	2,485	1.0	2.5
35	BAE Systems	Industrials	2,382	1.0	2.5
36	McBride	Consumer Staples	2,335	1.0	–
37	H&T**	Financials	2,301	1.0	4.9
38	Greencoat UK Wind	Financials	2,297	1.0	8.7
39	AO World	Consumer Discretionary	2,255	1.0	–
40	Lancashire	Financials	2,209	0.9	12.6
Top 40 investments			151,114	63.8	
Balance held in 76 equity investments			67,688	28.5	
Total investment portfolio			218,802	92.3	
Other net current assets			18,176	7.7	
Net assets			236,978	100.0	

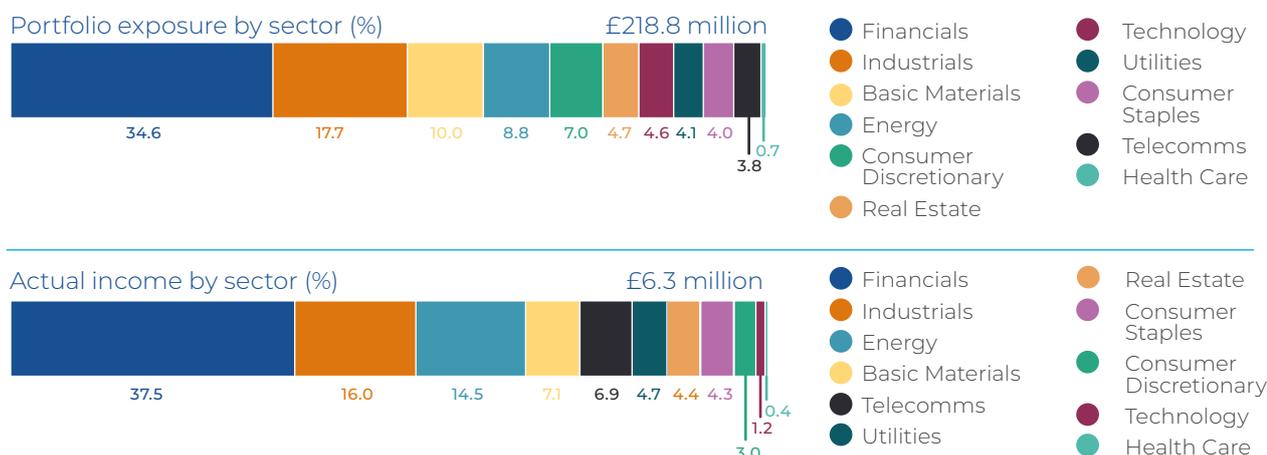
* Source: Refinitiv. Based on historical yields and therefore not representative of future yields. Includes special dividends where applicable.

** AIM/AQUIS listed

+ Security currently suspended; Level 3 investment (see note 9)

Portfolio Information continued

Portfolio as at 30 November 2024



Source: Refinitiv

The tables above set out how the portfolio's capital was deployed as at 30 November 2024. The data is shown in terms of the classifications on which the holdings are listed. The portfolio as at 30 November 2024 is set out in detail on page 11, in line with that included in the Balance Sheet on page 16.

The investment income above comprises the income from the portfolio as included in the Income Statement for the year ending 30 November 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 page 24, 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.

Interim Management Report and Directors' Responsibility Statement

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement on pages 2 and 3 and the Manager's Report on pages 4 to 8.

The principal risks facing the Group are substantially unchanged since the date of the Annual Report and Accounts for the year ended 31 May 2024 and continue to be as set out in that report on pages 12 to 15.

Risks faced by the Group include, but are not limited to, investment and strategy, the size of the company, a lesser portfolio weighting within the mainstream indices, dividend cover, share price volatility and discount/marketability risk, key fund management team risk, engagement of third party service providers and major market event, climate change or geo-political risk.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with the applicable set of accounting standards and Article 4 of the IAS Regulation; and gives a true and fair view of the assets, liabilities and financial position and return of the Group; and

- this Half-Yearly Financial Report includes a fair review of the information required by:
 1. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 2. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions that could do so.

This Half-Yearly Financial Report was approved by the Board of Directors on 10 February 2025 and the above responsibility statement was signed on its behalf by:

Andrew Bell
Chairman

10 February 2025

Condensed Consolidated Income Statement

for the half year to 30 November 2024 (unaudited)

	Notes	Half year to 30 November 2024			Half year to 30 November 2023			Year ended 31 May 2024*		
		Revenue return £000	Capital return £000	Total £000	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	-	3,051	3,051	-	(9,276)	(9,276)	-	30,676	30,676
Losses on derivative contracts		-	-	-	-	(848)	(848)	-	(848)	(848)
Foreign exchange (losses)/gains		-	(1)	(1)	-	1	1	-	(1)	(1)
Income	2	6,960	-	6,960	8,507	-	8,507	15,550	-	15,550
Management fee	3	(232)	(697)	(929)	(291)	(872)	(1,163)	(591)	(1,774)	(2,365)
Other expenses	4	(428)	-	(428)	(435)	-	(435)	(856)	-	(856)
Return on ordinary activities before finance costs and taxation		6,300	2,353	8,653	7,781	(10,995)	(3,214)	14,103	28,053	42,156
Finance costs	5	-	-	-	(4)	(12)	(16)	(4)	(12)	(16)
Return on ordinary activities before taxation		6,300	2,353	8,653	7,777	(11,007)	(3,230)	14,099	28,041	42,140
Taxation – irrecoverable withholding tax	6	(73)	-	(73)	(124)	-	(124)	(195)	-	(195)
Return on ordinary activities after taxation	7	6,227	2,353	8,580	7,653	(11,007)	(3,354)	13,904	28,041	41,945
Basic and diluted return:		pence	pence	pence	pence	pence	pence	pence	pence	pence
Per ordinary share	7	2.63	1.00	3.63	2.38	(3.43)	(1.04)	4.35	8.77	13.12

*Extracted from audited financial statements.

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

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 accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

for the half year to 30 November 2024 (unaudited)

	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 2024*		286	197,039	152	–	19,423	16,813	233,713
Total comprehensive income:								
Net return for the period		–	–	–	–	2,353	6,227	8,580
Transactions with shareholders recorded directly to equity:								
Redemption of Ordinary shares 2024		–	–	–	–	4	–	4
Cancellation of Share premium account ⁺		–	(197,039)	–	197,039	–	–	–
Equity dividends paid	8	–	–	–	–	–	(5,319)	(5,319)
As at 30 November 2024		286	–	152	197,039	21,780	17,721	236,978

* Following Court approval and the consequent registration of the Court Order with the Registrar of Companies, the cancellation of the Company's Share Premium account became effective and an amount of £197,039,000 was transferred from the Share Premium account to the Special Reserve which is distributable.

	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:								
Net return for the period		–	–	–	–	(11,007)	7,653	(3,354)
Transactions with shareholders recorded directly to equity:								
Shares bought back and cancelled		–	–	–	(15,699)	(17,655)	–	(33,354)
Cancellation of Ordinary shares		(37)	–	37	–	–	–	–
Expenses in relation to cancellation		–	–	–	–	(4)	–	(4)
Equity dividends paid	4	–	–	–	–	–	(6,849)	(6,849)
As at 30 November 2023		369	197,039	69	–	58,305	16,932	272,714

	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	4	–	–	–	–	–	(13,219)	(13,219)
As at 31 May 2024		286	197,039	152	–	19,423	16,813	233,713

* Extracted from audited financial statements.

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Balance Sheet

as at 30 November 2024 (unaudited)

	Notes	30 November 2024 £000	30 November 2023 £000	31 May 2024* £000
Non-current assets:				
Investments held at fair value through profit or loss	9	218,802	258,589	292,692
Current assets:				
Trade and other receivables		1,724	2,092	2,258
Cash at bank and cash equivalents		16,836	12,790	17,027
		18,560	14,882	19,285
Current liabilities:				
Trade and other payables		(384)	(757)	(334)
Redemption Pool liability		–	–	(77,930)
Net current assets		(384)	14,125	(58,979)
Total net assets		236,978	272,714	233,713
Capital and reserves:				
Share capital – ordinary shares	5	236	319	236
Share capital – management shares	5	50	50	50
Share premium account		–	197,039	197,039
Capital redemption reserve		152	69	152
Special reserve		197,039	–	–
Capital reserve		21,780	58,305	19,423
Revenue reserve		17,721	16,932	16,813
Shareholders' funds		236,978	272,714	233,713
		pence	pence	pence
Net asset value per Ordinary Share – basic and diluted	6	100.25	85.61	98.87

*Extracted from audited financial statements.

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Cash Flow Statement

for the half year to 30 November 2024 (unaudited)

	Half year to 30 November 2024 £000	Half year to 30 November 2023 £000	Year ended 31 May 2024* £000
Operating activities:			
Net return before taxation	8,653	(3,230)	42,140
(Gains)/losses on investments and derivatives held at fair value through profit or loss	(3,051)	10,124	(29,828)
Finance costs	–	9	9
Decrease in trade and other receivables	521	173	20
Increase/(decrease) in trade and other payables	50	(60)	(46)
Withholding tax paid	(73)	(124)	(195)
Net cash inflow from operating activities	6,100	6,892	12,100
Investing activities:			
Purchase of investments	(27,967)	(33,536)	(55,893)
Sale of investments	104,920	45,174	72,930
Net cash inflow from investing activities	76,953	11,638	17,037
Financing activities:			
Cancellation of shares	(77,925)	(33,358)	(33,354)
Expenses in relation to share cancellation	–	–	(4)
Revolving credit facility non-utilisation fee paid	–	(9)	(9)
Equity dividends paid	(5,319)	(6,849)	(13,219)
Net cash outflow from financing	(83,244)	(40,216)	(46,586)
Decrease in cash and cash equivalents	(191)	(21,686)	(17,449)
Reconciliation of net cash flow movements in funds:			
Cash and cash equivalents at the start of the period	17,027	34,476	34,476
Net cash outflow from cash and cash equivalents	(191)	(21,686)	(17,449)
Cash at bank and cash equivalents at the end of the period	16,836	12,790	17,027
Cash and cash equivalents			
Comprise the following:			
Cash at bank	16,836	12,790	17,027
	16,836	12,790	17,027

* Extracted from audited financial statements.

The notes on pages 18 to 23 form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements

for the half year to 30 November 2024 (unaudited)

1. General Information and Accounting Policies

The condensed consolidated financial statements, which comprise the unaudited results of the Company and its wholly-owned subsidiary, DIT Income Services Limited (together referred to as the “Group”), for the period ended 30 November 2024 have been prepared in accordance with UK-adopted international accounting standards and the AIC SORP.

In the current period, the Company has applied amendments to IFRS issued by the IASB adopted in conformity with UK IFRS. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements. The adoption of these has not had any material impact on these financial statements and the accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 31 May 2024.

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 and are satisfied that 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. In making the assessment, the Directors of the Company 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 conflicts in Europe and the Middle East.

The Directors noted that the Company, with the current cash balance and holding a portfolio of listed investments, is able to meet the obligations of the Company as they fall due. The current cash balance enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day to day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value and income with associated cash flows. In making this assessment, they have considered plausible downside scenarios. The conclusion was that in a plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company’s ability to continue as a going concern.

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 and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Comparative information

The financial information contained in this Half-Yearly Report does not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the half-year periods ended 30 November 2023 and 30 November 2024 has not been audited or reviewed by the Company's Auditor. The comparative figures for the financial year ended 31 May 2024 have been extracted from the latest published Annual Report and Accounts, which have been reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Income

	Half year to 30 November 2024			Half year to 30 November 2023			Year ended 31 May 2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Income from investments:									
UK dividends	4,778	–	4,778	5,885	–	5,885	10,511	–	10,511
UK REIT dividend income	188	–	188	301	–	301	486	–	486
Non UK dividend income	1,291	–	1,291	1,943	–	1,943	3,896	–	3,896
	6,257	–	6,257	8,129	–	8,129	14,893	–	14,893
Other income:									
Bank deposit interest	713	–	713	381	–	381	659	–	659
Exchange losses	(10)	–	(10)	(3)	–	(3)	(2)	–	(2)
Total income	6,960	–	6,960	8,507	–	8,507	15,550	–	15,550

3. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the period. Normal and diluted return per share are the same as there are no dilutive elements on share capital.

	Half year to 30 November 2024		Half year to 30 November 2023		Year ended 31 May 2024	
	£000	pence per share	£000	pence per share	£000	pence per share
Revenue return	6,227	2.63	7,653	2.38	13,904	4.35
Capital return	2,353	1.00	(11,007)	(3.43)	28,041	8.77
Total return	8,580	3.63	(3,354)	(1.04)	41,945	13.12
Weighted average number of ordinary shares		236,393,165		321,192,500		319,642,124

Notes to the Condensed Consolidated Financial Statements continued

4. Dividends per Ordinary Share

Amounts recognised as distributions to equity holders in the period.

	Half year to 30 November 2024		Half year to 30 November 2023		Year ended 31 May 2024	
	£000	pence per share	£000	pence per share	£000	pence per share
In respect of the previous period:						
Third interim dividend	2,482	1.05	3,026	0.95	3,026	0.95
Final dividend	2,837	1.20	3,823	1.20	3,822	1.20
In respect of the period under review:						
First interim dividend	–	–	–	–	3,185	1.00
Second interim dividend	–	–	–	–	3,186	1.00
	5,319	2.25	6,849	2.15	13,219	4.15

The Board has declared a first interim dividend of 1.00p per ordinary share, payable on 28 February 2025 to shareholders registered at the close of business on 20 December 2024. The ex-dividend date was 19 December 2024. The Board has also declared a second interim dividend of 1.05p per ordinary share, payable on 30 May 2025 to shareholders registered at the close of business on 21 March 2025. The ex-dividend date will be 20 March 2025 and the latest date to elect for dividends to be reinvested via the Dividend Reinvestment Plan ("DRIP") will be 11 April 2025.

5. Called-up Share Capital

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 annually, historically, on 31 May each year. However, this is changing to 29 August starting in 2025. The Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part. In respect of the 31 May 2024 Redemption Point, the Company received redemption requests for 82,147,477 ordinary shares. All of these shares were redeemed by the Company at the calculated redemption price of 94.86p per share and cancelled.

The issued share capital consisted of 236,393,165 ordinary shares and 50,000 management shares as at 30 November 2024.

6. Net Asset Value

Ordinary shares

The NAV per ordinary share and the net assets attributable at the period end were as follows:

	NAV pence per share 30 November 2024	Net assets attributable 30 November 2024 £000	NAV pence per share 30 November 2023	Net assets attributable 30 November 2023 £000	NAV pence per share 31 May 2024	Net assets attributable 31 May 2024 £000
Basic and diluted	100.25	236,978	85.61	272,714	98.87	233,713

NAV per ordinary share is based on net assets at the period end and 236,393,165 ordinary shares, being the number of ordinary shares in issue at the period end (30 November 2023: 318,540,642 and 31 May 2024: 236,393,165 ordinary shares).

Management shares

The NAV of £1 (30 November 2023: £1 and 31 May 2024: £1) per management share is based on net assets at the period end of £50,000 (30 November 2023: £50,000 and 31 May 2024: £50,000) and 50,000 (30 November 2023: 50,000 and 31 May 2024: 50,000) management shares. The shareholders have no right to any surplus or capital or assets of the Company.

7. Transaction Costs

During the period, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	Half year to 30 November 2024 £000	Half year to 30 November 2023 £000	Year ended 31 May 2024 £000
Costs on acquisitions	61	141	241
Costs on disposals	64	29	44
	125	170	285

These transaction costs are dealing commissions paid to stockbrokers and stamp duty, a government tax paid on transactions (which is zero when dealing on the AIM/AQUIS exchanges). A breakdown of these costs is set out below:

	Half year to 30 November 2024 £000	% of average monthly net assets	Half year to 30 November 2023 £000	% of average monthly net assets	Year to 31 May 2024 £000	% of average monthly net assets
Costs paid in dealing commissions	76	0.03	46	0.02	72	0.02
Costs of stamp duty	49	0.02	124	0.05	213	0.08
	125	0.05	170	0.07	285	0.10

The average monthly net assets for the six months to 30 November 2024 were £233,790,000 (30 November 2023: £275,246,000 and 31 May 2024: £275,707,000).

Notes to the Condensed Consolidated Financial Statements continued

8. Management Fee

The management fee is calculated at the rate of one-twelfth of 0.8% per calendar month on the average market capitalisation of the Company's shares up to £450m and 0.7% above £450m, payable monthly in arrears. In addition to the basic management fee, and for so long as a Redemption Pool 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.

At 30 November 2024, the management fee was £929,000 (30 November 2023: £1,163,000 and 31 May 2024: £2,365,000), of which an amount of £288,000 was outstanding and due to Premier Portfolio Managers Limited in respect of management fees (30 November 2023: £235,000 and 31 May 2024: £213,000).

9. Valuation of Financial Instruments

The Company 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 assets as follows:

Level 1 – valued using quoted prices, unadjusted in active markets for identical assets or 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.

The tables below set out fair value measurements of financial instruments as at the period end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 30 November 2024				
Equity investments	214,395	–	4,407	218,802
	214,395	–	4,407	218,802
Financial assets at fair value through profit or loss at 30 November 2023				
Equity investments	253,106	432	5,051	258,589
	253,106	432	5,051	258,589
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

Subsidiary

The value of the subsidiary, DIT Income Services Limited, held at fair value is £1 (30 November 2023: £1 and 31 May 2024: £1) and is classified as a Level 3 investment.

The Company's subsidiary completes trading transactions. There were no investments held for trading in the subsidiary at 30 November 2024 (30 November 2023: £nil and 31 May 2024: £nil). The difference between the sale and purchase of assets is trading income recognised in the Income Statement.

10. Transactions with the Manager and Related Parties

The amounts paid and payable to the Manager pursuant to the management agreement are disclosed in note 8. Fees paid to the Directors in the half year to 30 November 2024 amounted to £88,000 (half year to 30 November 2023: £87,000 and year ended 31 May 2024: £175,000).

Investment Objective and Policy

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.

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) notwithstanding 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 may 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.

Shareholder Information

Capital Structure

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

As at 30 November 2024, there were 236,393,165 ordinary shares in issue. As at the date of this Report there are 236,393,165 ordinary shares in issue, none of which are held in treasury, and 50,000 management shares in issue.

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 doubt 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 continued

Historic Dividend Record

Year ended 31 May:	2016 pence	2017 pence	2018 pence	2019 pence	2020 pence	2021 pence	2022 pence	2023 pence	2024 pence	2025 pence
First interim dividend	0.65	0.70	0.75	0.80	0.85	0.85	0.90	0.95	1.00	1.00
Second interim dividend	0.65	0.70	0.80	0.85	0.90	0.90	0.90	0.95	1.00	1.05
Third interim dividend	0.75	0.80	0.85	0.90	0.90	0.90	0.90	0.95	1.05	–
Final dividend	0.75	0.80	1.00	1.10	1.05	1.10	1.20	1.20	1.20	–
Special dividend	–	0.40 ¹	0.23 ¹	0.16 ¹	–	–	–	–	–	–
	2.80	3.40	3.63	3.81	3.70	3.75	3.90	4.05	4.25	2.05

¹ 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 Prices

The Company's ordinary shares are listed on the Official List of the FCA and traded on the LSE.

Share Register Enquiries

The register for the ordinary shares is maintained by MUFG Corporate Markets. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300 or on +44 (0)371 664 0300 from outside the UK (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@cm.mpms.mufig.com

Changes of name and/or address must be notified in writing to the Registrar: MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Electronic Communications from the Company

Shareholders 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 shown on page 27. Please have your investor code to hand.

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.

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

Investor updates in the form of monthly factsheets are available from the Company's website, www.diverseincometrust.com

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

An investment company as defined under Section 833 of the Companies Act 2006. Registered in England No. 7584303. A member of the Association of Investment Companies.

Directors and Advisers

Directors (all non-executive)

Andrew Bell, Chairman
Charles Crole
Caroline Kemsley-Pein
Michelle McGrade
Calum Thomson

Alternative Investment Fund Manager (“AIFM”)

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: premiermiton.com

Authorised and Regulated by the
Financial Conduct Authority

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

Secretary and Registered Office

Waystone Administration Solutions (UK) Limited

Broadwalk House
Southernhay West
Exeter EX1 1TS

Tel: 01392 477500

Registrar and Transfer Office

MUFG Corporate Markets

Shareholder Services Department
Central Square
29 Wellington Street
Leeds LS1 4DL

Tel: 0371 664 0300

(+44 (0)371 664 0300 from outside the UK)

(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@cm.mpms.mufg.com

Web: www.mpms.mufg.com

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.

Glossary

AIC

The Association of Investment Companies.

AIM

The Alternative Investment Market is a sub-market of the LSE. 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 the Investment Manager in monitoring the Company in order for them to meet the objective of the Company, including the management of risk. These consist of, but are not limited to, key performance and financial indicators set out in the various relevant parts of the Report.

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 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 NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

(Discount)/premium calculation	Page	30 November 2024	31 May 2024
Closing NAV per share (p)	6	100.25	97.84 (a)
Closing share price (p)	6	91.80	89.40 (b)
(Discount)/premium $c = \frac{(b - a)}{a} \times 100$ (%)	6	(8.43)	(8.63) (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 Company's Manager.

* Alternative performance measure.

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 disproportionately 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 total NAV per share is calculated by dividing the NAV by the number of ordinary shares in issue excluding treasury shares.

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 Company during the year.

	30 November 2024 £’000	31 May 2024 £’000
Ongoing Charges Calculation		
Management fee	1,708	2,365
Other administrative expenses	836	856
Less one-time costs	(5)	(14)
Total management fee and other administrative expenses (annualised)	2,539	3,207 (a)
Average net assets in the period/year	232,613	282,251 (b)
Ongoing charges $c = ((a \div b) \times 100)$	1.09	1.14 (c)

Peer Group

The Company 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

A company’s price to book ratio is its share price divided by its asset value per share. If this is below 1.0x, the stockmarket is thought to be underpricing the company in question in relation to the accounting value of its assets if sold.

* Alternative performance measure.

Revenue, Capital and Total return per Ordinary share*

The Revenue, Capital and Total returns are set out in the Consolidated Income Statement on page 14. 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 19.

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 8, 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.

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 or NAV. This is calculated by the movement in the share price or NAV plus dividend income reinvested by the Company at the prevailing NAV.

Adjusted NAV Total Return	Page	30 November 2024	31 May 2024
Closing Adjusted NAV per share (p)	24	100.25	97.84
Add back total dividends paid per share in the period/year (p)	23	2.25	4.15
Closing Adjusted NAV (p)	6	102.50	101.99 (a)
Opening NAV per share (p)	6	97.84	88.87 (b)
NAV total return unadjusted $c = (((a - b) \div b) \times 100)$		4.76	14.76 (c)
Adjusted total return %**		4.85	15.40
NAV total return %***		N/A	16.50

Share Price Total Return	Page	30 November 2024	31 May 2024
Closing share price (p)	23	91.80	89.40
Add back total dividends paid per share in the period/year (p)	6	2.25	4.15
Adjusted closing share price (p)	6	94.05	93.55 (a)
Opening share price (p)	6	89.40	83.40 (b)
Share price total return unadjusted $c = (((a - b) \div b) \times 100)$		5.20	12.17 (c)
Share price total return adjusted %***		5.29	12.71

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.

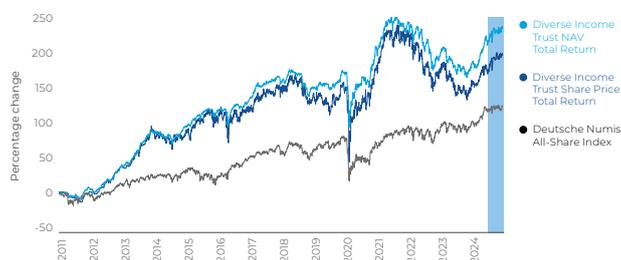
* Alternative performance measure.

** 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 31 May 2024 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 the difference between the Net asset value or 98.87p and the Adjusted NAV of 97.84p (see 31 May 2024 annual report Glossary on page 96 and 97 regarding NAV and Adjusted NAV for more details).

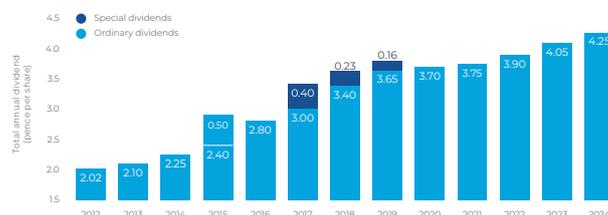
Notes

COMPANY PERFORMANCE SINCE LAUNCH ON 28 APRIL 2011



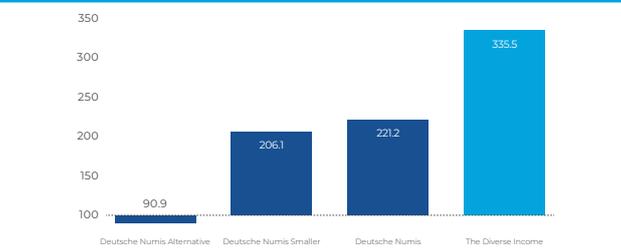
Source: Morningstar

TOTAL ANNUAL DIVIDENDS DECLARED BY THE COMPANY



Source: Company

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



Source: Morningstar

Premier Miton
INVESTORS

Eastgate Court
High Street
Guildford
Surrey GU1 3DE