THE DIVERSE INCOME TRUST PLC
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HALF-YEARLY FINANCIAL REPORT
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The Directors present the Half-Yearly Financial Report of the Company for the period to 30 November 2024.
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RESULTS FOR THE HALF YEAR TO 30 NOVEMBER 2024
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Summary of Results
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Â	**Â As at 30 November ÂÂ 2024**	As at 30 November 2023	Â As atÂ 31 May 2024
NAV per ordinary share[1]	**100.25p**	85.61p	98.87p
Ordinary share price	**91.80p**	79.40p	89.40p
(Discount) to NAV[1]	**(8.4%)**	(7.3%)	(8.6%)
Ordinary shares in issue	**236,393,165**	318,540,642	236,393,165
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Â	**Period to 30Â November 2024Â**	Period to 30 November 2023	Period to 31 May 2024
Revenue return per ordinary share[1]	**2.63p**	2.38pÂ	4.35p
Ordinary dividends per ordinary share	**2.05p**	2.00p	4.25p
Ongoing charges*	**1.09%**	1.14%	1.14%
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1 For an in-depth assessment of performance please refer to the Chairmanâ€™s Statement and the Managerâ€™s Report. Revenue return per ordinary share, NAV per ordinary share and Discount to NAV defined in the Glossary.
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* Alternative performance measure. Defined in the Glossary.
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CHAIRMANâ€™S STATEMENT

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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 UKâ€™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 â€œMagnificent Sevenâ€) 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.
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Half-year returns

The Trustâ€™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%.
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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.
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The Trustâ€™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.
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Returns since the Trust was first listed in April 2011

It has been encouraging to see a return to outperformance by the Companyâ€™s portfolio over the past year, after a variable period during the UK marketâ€™s volatility in recent years, buffeted by pandemic-related and political factors. Over the thirteen years and seven-month period since issue, the Trustâ€™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 Deutsche Numis All-Share Index.
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Share Issuance and Redemptions

The Companyâ€™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 Companyâ€™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%.
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The UK investment trust sectorâ€™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.
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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.
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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.
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Investment Strategy
The Board continuously reviews the Companyâ€™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 Managerâ€™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 Managerâ€™s Report. Premier Miton continue to adjust their approach as circumstances dictate within the bounds set by the Board.
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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 administrationâ€™s tariff proposals.
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Notwithstanding these risks, as noted in recent reports, the UK market has been sidelined in investorsâ€™ 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.
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Although the growth rates of most UK companies do not approach those of the technology leaders in the US, nor do UK share valuations, relative to their own history, appear modest.
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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.
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Andrew Bell
Chairman
10 February 2025
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INVESTMENT MANAGERâ€™S REPORT
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The day-to-day fund managers with the responsibility for the makeup of the Trustâ€™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.
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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.
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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.
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For a visual representation of the valuation of the UK stock market universe, showing the valuations of the quoted stocks across the market capitalisation range, please refer to the chart on page 5 in the full Half Year Report.
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In the chart shown on page 5 in the full Half Year Report, 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.
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The Trustâ€™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.
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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 shown on page 5 in the full Half Year Report 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.
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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.
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*The bar chart shown on page 5 of the Half Year Report denotes the number of face-to-face company meetings that Gervais Williams and Martin Turner held in the past 6 months, and in the two preceding 6-month periods.**

**This does not include conferences.*

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

For a comparison of the total returns of the Trust vs the Peer Group and its comparator indices over the past 6 months, please refer to the chart on page 6 in the full Half Year Report.
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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%.
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The Trustâ€™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.
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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.
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For details on the principal contributors to and detractors from performance over the half year to November 2024, please refer to the chart on page 6 in the Half Year Report.
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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.
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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.
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After persistent US stock exchange outperformance over decades, many UK investors have sold down UK stocks heavily over the last three years.
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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.
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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 marketâ€™s valuation is comparatively low, we believe such a change in institutional capital flows would drive considerable outperformance.
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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.
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Many link a rapidly rising share price with a confidence that the underlying companyâ€™s prospects continue to improve. In this context, if a share price isnâ€™t rising well, then it is easy to assume that the prospects for the underlying business are static or unexciting.
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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.
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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.
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Concurrent Technologies
Cyanconnode
Beeks Financial Cloud
Record
Gulf Marine
Raspberry Pi
Gaming Realms
TruFin
Intercede
Capital Intl

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

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Weighting of the largest 10 holdings at the end of the last six half year periods, can be seen in the chart on page 8 of the Half Year Report.
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Alongside, with the Trustâ€™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.
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Since 2019, the dividend income paid by UK stock market as a whole has fallen, whereas the Trustâ€™s revenue and dividends have grown further through this period.
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Despite the aggregate dividend paid by the UK stock marketing falling since 2019, due to the pandemic, the Trustâ€™s revenue per share, and dividends paid to shareholders have been resilient, and continued to growth through the period.
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For details on total annual dividends in pence per share, please refer to the chart on page 8 in the Half Year Report.
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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 (i.e. the return of both the stream of cash dividends and the Trustâ€™s NAV appreciation together).
For details on total returns of the Trust vs the Peer Group and its comparator indices since launch, please refer to the chart on page 8 in the Half Year Report.
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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%.
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The Outlook for the Trust?
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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 â€“ 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.
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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 â€˜Goldilocksâ€™ market liquidity may now deliver poorer outcomes.
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The Diverse Income Trustâ€™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 didnâ€™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 â€“ sometimes for as little as Â£1 â€“ 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.
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For this reason, the UK exchangeâ€™s large cohort of equity income stocks is overwhelmingly important, given that Trumpâ€™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 â€“ as it was in the 1970â€™s.
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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.
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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.
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Gervais Williams and Martin Turner
10 February 2025
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PORTFOLIO INFORMATION
as at 30 November 2024
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RankÂ	**Company**	**Sector & main activity**	**Valuation Â£000**	**% of net assets**	**Yield %**
1Â	Galliford Try	Industrials	7,681	3.2	4.1
2Â	TP ICAP	Financials	7,253	3.1	5.6
3Â	Paypoint	Industrials	7,051	3.0	4.7
4Â	CMC Markets	Financials	6,960	2.9	3.8
5Â	XPS Pensions	Financials	6,485	2.7	2.8
6Â	Pan African Resources**	Basic Materials	6,296	2.7	2.8
7Â	BT	Telecommunications	5,047	2.1	5.0
8Â	Concurrent Technologies**	Technology	4,660	2.0	0.7
9Â	Savannah Energy**+	Energy	4,407	1.9	â€“
10Â	Kenmare Resources	Basic Materials	4,339	1.8	11.7
Top 10 investments		Â	**Â Â Â Â 60,179**	**25.4**	Â
11Â	Yu**	Utilities	4,157	1.8	3.1
12Â	AVIVA	Financials	3,956	1.7	7.1
13Â	Phoenix	Financials	3,888	1.6	10.4
14Â	ME Group international	Consumer Discretionary	3,795	1.6	3.6
15Â	NewRiver REIT	Real Estate	3,791	1.6	8.7
16Â	Plus500	Financials	3,658	1.5	4.3
17Â	Sainsbury (J)	Consumer Staples	3,550	1.5	5.0
18Â	Diversified Energy	Energy	3,487	1.5	7.1
19Â	Legal & General	Financials	3,480	1.5	9.3
20Â	MAN	Financials	3,381	1.4	6.1
Top 20 investments		Â	**97,322**	**41.1**	**Â**
21Â	FRP Advisory**	Industrials	3,163	1.3	3.4
22Â	National Grid	Utilities	3,140	1.3	5.5
23Â	Sabre Insurance	Financials	3,115	1.3	4.5
24Â	Smurfit WestRock (Formally Smurfit Kappa)	Industrials	3,085	1.3	2.2
25Â	TruFin**	Financials	3,039	1.3	â€“
26Â	M&G	Financials	2,954	1.3	10.0
27Â	Greatland Gold**	Basic Materials	2,947	1.3	â€“
28Â	Tesco	Consumer Staples	2,922	1.2	3.4
29Â	Just	Financials	2,826	1.2	1.5
30Â	Conduit Holdings	Financials	2,672	1.1	5.2
Top 30 investments		Â	**127,185**	**53.7**	Â
31Â	Intercede**	Technology	2,624	1.1	â€“
32Â	Vodafone	Telecommunications	2,554	1.1	7.9
33Â	Norcros	Industrials	2,487	1.0	4.1
34Â	Tatton Asset Management**	Financials	2,485	1.0	2.5
35Â	BAE Systems	Industrials	2,382	1.0	2.5
36Â	McBride	Consumer Staples	2,335	1.0	â€“
37Â	H&T**	Financials	2,301	1.0	4.9
38Â	Greencoat UK Wind	Financials	2,297	1.0	8.7
39Â	AO World	Consumer Discretionary	2,255	1.0	â€“
40Â	Lancashire	Financials	2,209	0.9	12.6

Top 40 investments	Â	**151,114**	**63.8Â**
Balance held in 76 equity investments		**67,688**	**28.5**Â
Total investment portfolio	Â	**218,802**	**92.3**Â
Other net current assets	Â	**18,176**	**7.7**Â
Net assets	Â	**236,978**	**100.0**Â

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** 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 in the Half Year Report)

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Portfolio as at 30 November 2024

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Portfolio exposure by sector (%) - Â£218.8 million	
Financials	34.6
Industrials	17.7
Basic Materials	10.0
Energy	8.8
Consumer Discretionary	7.0
Real Estate	4.7
Technology	4.6
Utilities	4.1
Consumer Staples	4.0
Telecomms	3.8
Health Care	0.7
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Â	100.0

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Actual income by sector (%) - Â£6.3 million	
Financials	37.5
Industrials	16.0
Energy	14.5
Basic Materials	7.1
Telecomms	6.9
Utilities	4.7
Real Estate	4.4
Consumer Staples	4.3
Consumer Discretionary	3.0
Technology	1.2
Health Care	0.4
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Â	100.0

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Source: Refinitiv

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FURTHER INFORMATION

The Diverse Income Trust plcâ€™s Half-Yearly Financial Report of the Company for the period to 30 November 2024 will be available today on www.diverseincometrust.com.

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It will also be submitted shortly in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at data.fca.org.uk/#/nsm/nationalstoragemechanism in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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ENDS

Neither the contents of the Companyâ€™s website nor the contents of any website accessible from hyperlinks on the Companyâ€™s website (or any other website) is incorporated into, or forms part of this announcement.

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