

The Diverse Income Trust

Anticipating a UK small-cap super cycle

The Diverse Income Trust's (DIVI's) managers, Gervais Williams and Martin Turner at Premier Miton Investors, are currently remarkably upbeat. Usually, when market leadership becomes too concentrated, like now in US large-cap technology stocks, investor preferences shift towards another group of companies. The managers believe that equity income stocks are set to become the new market favourites as, in a nationalistic world when asset prices are volatile, a steady stream of cash paid directly into investors' bank accounts becomes a major advantage. They expect this trend to particularly favour the UK stock market as it has a large cohort of equity income stocks and has been devalued by persistent outflows since Brexit. Williams and Turner consider that many UK small-cap equity income stocks have fallen to 'absurdly low valuations'; hence, they are the most bullish that they have been for 30 years. The managers anticipate a UK market super cycle, especially within small-cap stocks, which would likely become a very favourable long-term tailwind to DIVI's performance, in addition to the value generated by the trust's income strategy.

Exhibit 1: Dividend growth before, during and after the global pandemic



Source: DIVI, Edison Investment Research

Why consider DIVI?

DIVI is a unique proposition with an income and capital growth strategy spread across the market cap spectrum. Since launch in April 2011, DIVI has outperformed the UK market and all but one of its 17 peers in the AIC UK Equity Income sector. It also has a lifelong unbroken record of paying higher dividends each year, even through the global COVID pandemic. As the trust is diversified, it is less reliant on a limited number of companies to generate its income. Since launch, nearly half of DIVI's total return has been from income.

The managers employ a consistent, fundamental investment process, which is particularly suited to seeking out attractive smaller-cap companies that are generally under-researched and can be mispriced. In FY25 (ending 31 May), the managers undertook 545 face-to-face company meetings. These offer greater opportunities than group meetings for the managers to ask probing questions to really understand businesses and industries.

Elevated investor risk aversion means that investment company discounts are wider than historical averages, but until Brexit, DIVI's shares regularly traded at a premium. Hence, there is scope for the trust to be afforded a higher valuation if there is a change in sentiment towards UK income and smaller-cap companies.

Investment companies
UK multi-cap equity income

21 October 2025

Price 102.00p
Market cap £167m
Total assets £183m

NAV 111.7p

¹NAV at 17 October 2025.

Discount to NAV 8.7%

Current yield 4.5%

Shares in issue 163.6m

Code/ISIN DIVI/GB00B65TLW28

Primary exchange LSE

AIC sector UK Equity Income

Financial year end 31 May

52-week high/low 108.0p 84.0p

NAV high/low 115.5p 88.2p

Net gearing 0.0%

¹Net gearing at 30 September 2025.

Fund objective

The Diverse Income Trust's investment objective is to provide an attractive and growing level of dividends, coupled with capital growth over the long term. It invests in a diversified portfolio primarily of quoted or traded UK companies across the market cap spectrum, with a bias to high-quality small- and mid-cap stocks. The stock-specific approach means the trust's portfolio does not track a benchmark index.

Bull points

- DIVI's diversified portfolio meant its capital returns fared better during COVID-19 than other funds with narrower stock/sector remits.
- Uninterrupted dividend growth since launch.
- DIVI has built a meaningful revenue reserve and has a large distributable special reserve.

Bear points

- DIVI's strategy harnesses 'the small-cap effect', which can be a major headwind when large-cap stocks are in favour.
- As an equity income strategy, with a low beta portfolio, the trust is likely to underperform during 'risk-on' markets.
- Intensive research process contributes to its above-average ongoing charge versus peers.

Analyst

Mel Jenner +44 (0)20 3077 5700

investmenttrusts@edisongroup.com

[Edison profile page](#)

The Diverse Income Trust is a research client of Edison Investment Research Limited

DIVI: Unique multi-cap income fund

Williams explains that when DIVI was launched in April 2011, the strategy was to deliver something different; the result is a multi-cap portfolio invested across a broad range of sectors. The managers aim to generate good and growing total returns by investing in a wide range of high-quality cash-generative companies, which are expected to produce good and growing dividends.

DIVI has a strong long-term record of outperformance (all figures quoted are total returns). Since launch in April 2011, until the end of FY25, the trust's adjusted NAV increased by 264.6% and its share price rose by 239.9%. These returns compare favourably with the Deutsche Numis All-Share Index (+140.1%) and the Deutsche Numis Smaller Companies plus AIM ex Investment Companies Index (+113.2%), which are used as comparator indices, and the AIC UK Equity Income peer group (+210.4%). This outperformance has been delivered with low volatility of returns, suggesting that the trust offers an attractive mix of high alpha and a below-average beta.

Current portfolio breakdown

At the end of August 2025, DIVI's top 10 holdings made up 26.0% of the portfolio, which was a modestly higher concentration compared with 24.4% 12 months earlier. Six names were common to both periods.

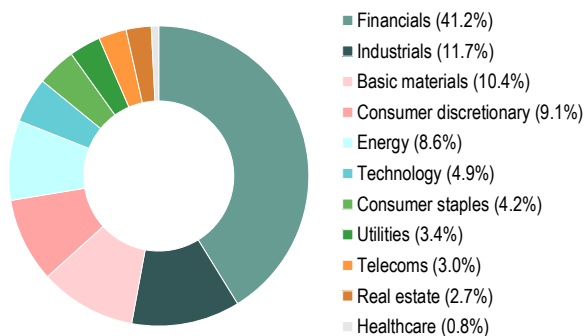
Exhibit 2: DIVI's top 10 holdings at 31 August 2025

Company	Sector	Portfolio weight Aug 2025 (%)	Portfolio weight Aug 2024 (%)
Galliford Try Holdings	Industrials	3.3	2.6
Secure Trust Bank	Financials	3.2	N/A
Pan African Resources	Basic materials	3.1	2.6
TP ICAP Group	Financials	2.9	2.8
Aviva	Financials	2.6	N/A
Paypoint	Industrials	2.3	2.5
Ithaca Energy	Energy	2.3	N/A
Concurrent Technologies	Technology	2.2	N/A
CMC Markets	Financials	2.1	3.3
BT Group	Telecommunications	2.0	1.8
Total:		26.0	24.4

Source: DIVI, Edison Investment Research. Note: N/A not in end August 2024 top 10.

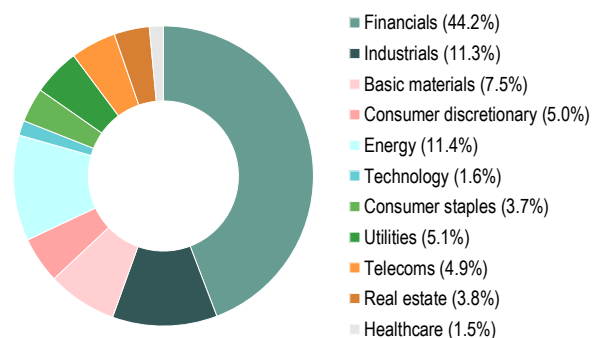
Over the 12 months ending 31 August 2025, the number of portfolio holdings was reduced by 21 to 100. The manager explains that although UK company results in many cases have been robust, their share prices have not yet revalued, as they remain under pressure from negative outflows. Hence, the managers are holding onto DIVI's positions for longer and the percentage of the portfolio made up of the largest holdings has been rising.

Exhibit 3: Breakdown by sector at end FY25



Source: DIVI, Edison Investment Research

Exhibit 4: Breakdown by sector income at end FY25



Source: DIVI, Edison Investment Research

An ongoing feature, since the trust was launched, is its large allocation to financial stocks, which is a diverse area of the market offering a wide range of businesses in which to invest. Financials is one of the higher-yielding sectors and at the end of FY25 represented a 3.0pp higher share of income versus its portfolio weighting. Other differences of note are the higher yielding energy sector and the generally lower yields from materials, consumer discretionary and technology stocks.

Exhibit 5: Market cap breakdown at end FY25

(% unless shown)	DIVI	Deutsche Numis All-Share Index	Difference (pp)
Mainstream stocks (large & mid-cap cos in the Deutsche Numis All-Share Index)	29.8	88.4	(58.6)
AIM market	28.8	2.4	26.4
Small-cap stocks	41.4	9.2	32.2

Source: DIVI, Edison Investment Research

Exhibit 5 clearly shows DIVI's bias towards small-cap stocks. Compared with the Deutsche Numis All-Share Index, the trust has a near 60% underweight to the larger-cap mainstream stocks.

Portfolio activity

Since the beginning of 2024, DIVI's weighting in the materials sector has increased meaningfully. This partly reflects the significant outperformance of the trust's positions in gold miners including Pan African Resources and Thor Exploration, along with new holdings such as Greatland Gold (now named Greatland Resources). This company raised capital in 2024 to buy the majority stake of the Havieron Mine in Australia from the former owner Newcrest Mining, which was acquired by Newmont Corporation.

The managers have notably increased the trust's allocation to UK banks, beyond the holdings in Lloyds Banking Group and Natwest Group, by adding other companies on more overlooked valuations such as OSB Group, Secure Trust Bank and Vanquis Banking Group. These new positions were largely funded using the proceeds from the takeovers of i3 Energy, Inspired Energy and STM Group (wealth management), along with taking profits in positions that had outperformed to become outsized holdings within the portfolio including Galliford Try and XPS Pensions.

This year, with major outperformance from both gold mining companies and UK banks, these sectors had become uncomfortably large parts of the portfolio. Therefore, in recent weeks the managers have locked in substantial profits by selling Greatland Resources and top slicing some gold and financial stocks, as well as selling Natwest Group. Much of the capital raised was reinvested in the utility sector, including a new holding in Pennon Group (water and wastewater services).

Williams' perspectives on the investment backdrop

The manager comments that the general market view is that a higher level of uncertainty will lead to increased share price volatility. He highlights how stock markets have become distorted – in the 10 years ending 31 May 2025, global indices roughly tripled, whereas the 'Mag 7' large-cap technology stocks went up by more than 25 times. The strength in these names means that capital has been sucked out of other areas of the market, including small-cap stocks, which is a systemic risk if there is a change in sentiment away from those companies that have benefited greatly from the growth in AI.

Elevated valuations, particularly in the United States, bring the risk of multiple compression in a changing world where electorates are seeking new leadership and misallocation of capital has led to a lack of productivity improvements. An attitude of compromise during globalisation has been replaced by a 'me first' mentality during a period of nationalisation. Higher government budget deficits have contributed to an environment of ample liquidity, enabling zombie companies to survive, but tighter credit conditions mean these financially weak businesses are likely to disappear. Williams believes that this more equal playing field should make it easier for active managers to outperform their relevant benchmarks.

The manager notes that despite a general lack of appetite for UK small-cap stocks, over the last five years some smaller firms have performed very well. An example is portfolio company Galliford Try Holdings, which has seen multiple expansion from subnormal levels; when the position was purchased the company was valued at less than the net cash on its balance sheet. Because of depressed valuations such as these, Williams sees disproportionate upside in UK small-cap stocks. He explains that over the last 30 years, valuation improvement has been a major contributor to share price total returns, but over the long term, income has made up the lion's share. The manager considers that during an economic downturn, there could be a reduction in share repurchases, which have previously supported earnings growth, particularly for larger companies. As DIVI focuses on a diverse group of businesses that can generate cash during tough economic conditions, it should be well positioned in an environment where income is expected to be a more important contributor to shareholder returns. The trust does hold some mainstream companies in the portfolio, but many of its holdings are not owned by the peer group.

Williams believes that if there is an economic downturn and zombie companies do disappear, this will provide significant

opportunities for financially strong businesses that can make accretive acquisitions at very attractive prices. In 2023, HSBC was able to buy Silicon Valley Bank UK for a nominal sum of £1 following the collapse of its US parent. Further down the capitalisation spectrum, during the pandemic, K3 Capital acquired Quantuma and Randd, which were subsequently reported to be 'transformational' deals.

Looking at historical total returns from 1955 to 2023, the manager reports that the best-performing UK stocks were micro-caps and that, broadly, the return on a quoted stock was inversely proportional to its market capitalisation. He expects the UK to become the global leader in small-cap stocks, given the wealth of attractively valued, high-quality companies available, which bodes well for DIVI's performance, while a greater focus on income versus capital growth by institutional investors would likely provide additional support.

Performance: FY25 added to long-term outperformance record

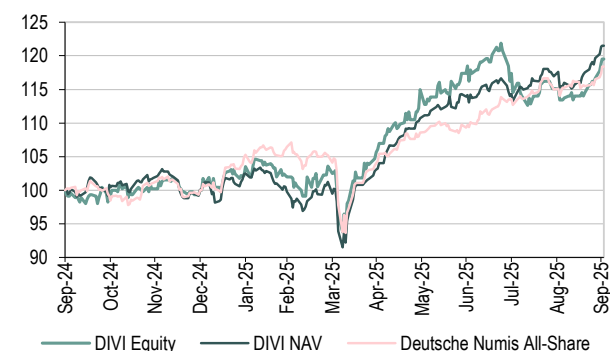
The AIC UK Equity Income sector is a relatively large 18-strong peer group. While DIVI has a differentiated multi-cap strategy, Exhibit 6 does provide some context. The trust's NAV total return ranks second since DIVI was launched in April 2011. Its recent relatively strong returns mean the trust ranks fifth over the last 12 months, although its smaller-cap bias has provided a headwind over other periods shown. At 20 October 2025, DIVI's discount was wider than the peer group average. It has a higher-than-average ongoing charges ratio, no gearing and a dividend yield that is modestly below the mean. Unlike some of its peers, DIVI's diverse portfolio ensures it is not overly reliant on a few high-yielding companies for its income.

Exhibit 6: AIC UK Equity Income sector. DIVI is the second best performing company since its launch

% unless stated	Market cap (£m)	1Y NAV TR	3Y NAV TR	5Y NAV TR	10Y NAV TR	SI NAV TR*	Disc/prem	Ongoing charge	Net gearing	Dividend yield
Diverse Income Trust	241.1	17.8	43.0	53.0	83.1	290.1	(8.9)	1.1	100	4.4
Aberdeen Equity Income Trust	181.5	17.5	39.9	73.1	43.2	134.6	0.2	0.9	112	6.2
BlackRock Income and Growth	40.6	7.2	41.2	63.7	80.9	153.9	(10.3)	1.2	106	3.6
Chelverton UK Dividend Trust	30.6	1.3	25.7	64.9	27.0	209.0	(4.7)	2.7	100	7.3
City of London	2,525.1	16.7	56.4	93.8	103.9	217.0	1.6	0.4	105	4.2
CT UK Capital and Income	319.1	5.1	42.6	63.4	97.0	166.4	(4.5)	0.7	104	3.9
CT UK High Income	89.0	13.4	52.9	60.8	83.2	147.7	(0.4)	1.0	109	5.6
Dunedin Income Growth	364.5	4.0	35.7	40.1	92.0	145.7	(8.0)	0.6	111	6.4
Edinburgh Investment	1,128.6	7.1	57.3	92.1	73.8	214.2	(7.8)	0.5	110	3.6
Finsbury Growth & Income	1,109.4	(0.9)	18.4	22.4	95.7	273.7	(7.2)	0.6	102	2.4
JPMorgan Claverhouse	447.9	17.9	55.9	78.8	104.5	188.2	(5.7)	0.6	106	4.4
Law Debenture Corporation	1,381.7	21.2	65.7	107.0	171.5	307.4	0.2	0.5	112	3.2
Lowland	328.9	18.8	60.8	94.6	82.2	204.7	(9.3)	0.7	113	4.3
Merchants Trust	813.0	5.4	35.7	96.7	106.2	181.5	(7.0)	0.5	112	5.3
Murray Income Trust	892.8	6.1	37.2	49.3	99.0	169.2	(6.6)	0.5	108	4.4
Schroder Income Growth	216.0	11.0	48.8	77.6	99.0	205.6	(9.0)	0.8	100	4.6
Shires Income	110.3	16.6	47.8	67.6	107.7	217.0	(4.9)	1.0	115	5.3
Temple Bar	1,032.2	28.6	89.3	157.6	123.8	226.0	1.3	0.6	107	4.1
Simple average	625.1	11.9	47.5	75.4	93.0	202.9	(5.1)	0.8	107	4.6
Rank (out of 18)	12	5	10	15	13	2	15	16	16	8

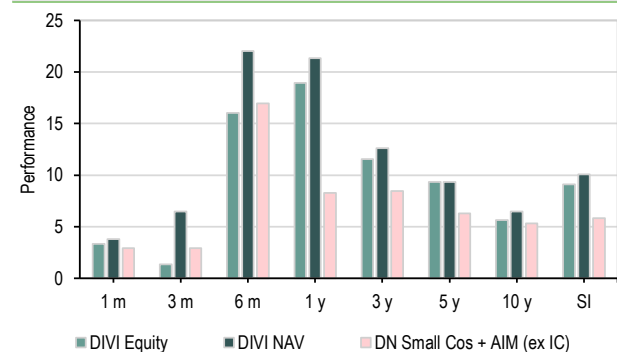
Source: Morningstar, Edison Investment Research. Note: Data at 20 October 2025. TR, total return. Performance is TR based on ex-par NAV. *Since DIVI's inception on 28 April 2011.

Exhibit 7: One-year rebased share price and NAV performance to 30 September 2025



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 8: Price, NAV and index total return (%)



Source: LSEG Data & Analytics, Edison Investment Research. Note: Three-, five-, 10-year and since inception (SI) figures are annualised.

DIVI's relative performance is shown in Exhibits 8 and 9. It is ahead of the Deutsche Numis All-Share Index over the last year. Perhaps a more relevant comparison, given the trust's small-cap bias, is versus the Deutsche Numis Smaller Companies plus Aim ex Investment Companies Index. DIVI has outperformed over the last one, three, five and 10 years and since inception in April 2011. Over its lifetime, the trust has generated annualised NAV and share price total returns of +10.1% and +9.1% respectively, which are considerably higher than the index's +5.8% annualised total returns.

Exhibit 9: Share price and NAV total return performance, relative to indices (%)

	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Price relative to Deutsche Numis All Share	1.2	(5.6)	2.9	1.3	(8.1)	(13.0)	(19.9)
NAV relative to Deutsche Numis All Share	1.7	(0.9)	8.2	3.4	(5.4)	(13.0)	(13.4)
Price relative to DN Sm Cos plus AIM ex ICs	0.4	(1.5)	(0.8)	9.8	8.8	15.0	2.8
NAV relative to DN Sm Cos plus AIM ex ICs	0.9	3.5	4.3	12.1	12.0	15.0	11.2
Price relative to CBOE UK All Companies	1.6	(5.6)	3.6	1.9	(8.3)	(16.8)	(21.6)
NAV relative to CBOE UK All Companies	2.1	(0.8)	9.0	4.0	(5.6)	(16.9)	(15.2)

Source: LSEG Data and Analytics, Edison Investment Research. Note: Data to end September 2025.

In FY25, the trust delivered strong NAV and share price total returns of +12.8% and +20.8%, respectively. These were ahead of the comparator index's (+9.7%) and peer group's (+8.8%) total returns. DIVI's largest performance contributors were: Pan African Resources (+1.86pp); Greatland Gold (+1.62pp); Galliford Try Holdings (+1.51pp); Concurrent Technologies (+1.49pp); and XPS Pensions Group (+1.49pp). The largest detractors were: Savannah Energy (-1.75pp); Zotefoams (-0.70pp); Conygar Investment Company (-0.64pp); CT Automotive Group (-0.57pp); and Man Group (-0.56pp).

Exhibit 10: Five-year discrete performance

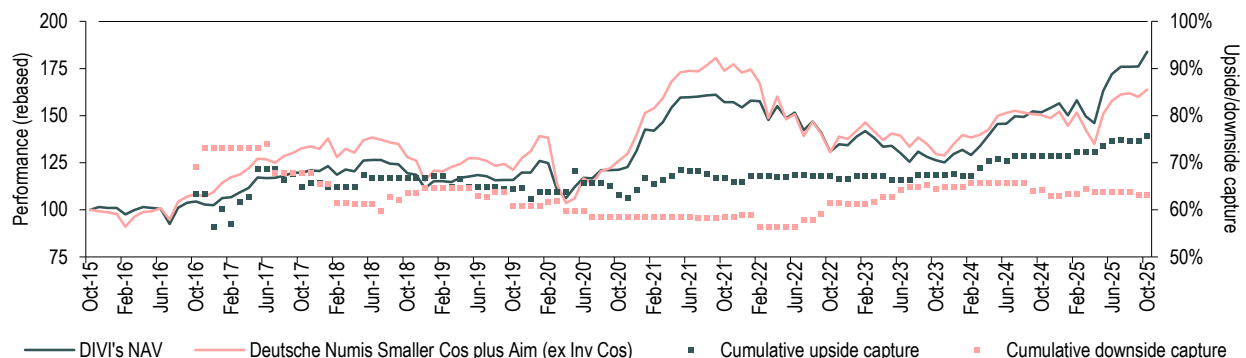
12 months ending	Share price (%)	NAV (%)	Deutsche Numis All-Share (%)	DN Sm Cos plus AIM ex ICs (%)	CBOE UK All Cos (%)
30/09/21	43.3	34.6	27.9	45.7	28.5
30/09/22	(21.5)	(18.8)	(7.0)	(26.9)	(3.4)
30/09/23	(1.0)	(1.2)	13.1	3.3	14.5
30/09/24	17.9	19.2	13.7	14.1	13.3
30/09/25	18.9	21.3	17.4	8.3	16.7

Source: LSEG Data & Analytics, Edison Investment Research. Note: All figures are total return in pounds sterling.

Upside/downside capture analysis

Exhibit 11 shows DIVI's upside/downside cumulative capture rates over the last 10 years versus the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index. The trust's defensive portfolio qualities are shown by capture rates of less than 100%. However, the upside capture of 76% and a downside capture of 63% imply that DIVI will appreciate more in a rising market than it will lose in a falling market.

Exhibit 11: DIVI's upside/downside capture



Source: LSEG Data & Analytics, Edison Investment Research

Note: Cumulative upside/downside capture calculated as the geometric average NAV total return (TR) of the fund during months with positive/negative reference index TRs, divided by the geometric average reference index TR during these months. A 100% upside/downside indicates that the fund's TR was in line with the reference index's during months with positive/negative returns. Data points for the initial 12 months have been omitted in the exhibit due to the limited number of observations used to calculate the cumulative upside/downside capture ratios.

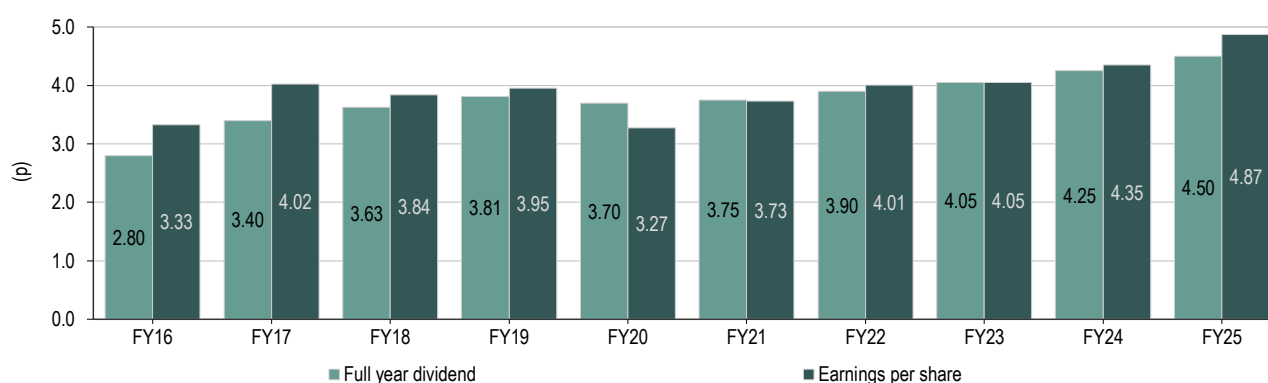
Dividends: Higher payments every year since launch

In FY25, DIVI's 4.87p revenue per share was a 12.0% increase year-on-year, which was considerably higher than UK CPI of 3.4% at 31 May 2025. The dividend per share rose by 5.9% to 4.50p, which was broadly in line with the compound annual growth since the trust was launched in 2011. It should be remembered that distributions have increased every year, even during the global pandemic.

To enable shareholders to vote on the FY15 dividend, a final dividend of 0.50p per share was paid in addition to four interim dividends. Since then, four payments have been made in respect of each financial year – three interim dividends and a final dividend.

In normal market conditions, DIVI has a fully covered dividend. There were two exceptions as a result of COVID-19 when the FY20 annual payment was 0.9x covered and there was a modest drawdown from revenue reserves in FY21. At the end of FY25, the trust's revenue reserve was c £18.2m, which is around 1.9x the last annual dividend payment. Also, during FY25, following court approval, DIVI's c £197.0m share premium account was transferred into a special reserve, which is distributable.

Exhibit 12: Last 10-year dividend and earnings per share history

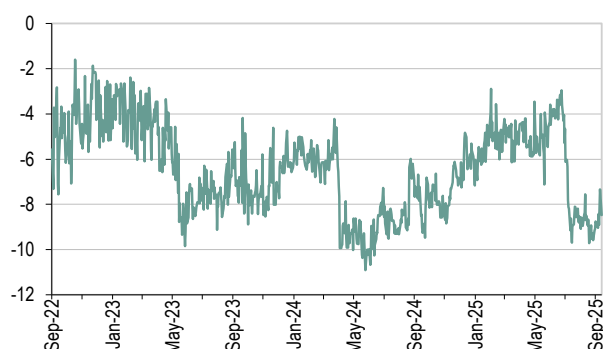


Source: DIVI, Edison Investment Research. Note: Includes special dividends of 0.40p, 0.23p and 0.16p per share in FY17, FY18 and FY19, respectively.

Valuation: Discount wider than historical averages

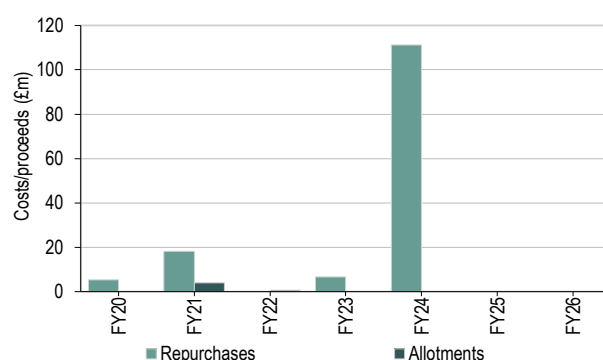
In a continuing uncertain world, investment trust discounts remain wider than historical averages. DIVI's current 8.7% discount is towards the wider end of the three-year range of 1.6% to 10.9%. Over the last one, three, five and 10 years, the trust's discount has averaged 6.5%, 6.5%, 5.0% and 3.4%, respectively.

Exhibit 13: Discount over three years (%)



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 14: Buybacks and issuance (ex the latest redemption)



Source: Morningstar, Edison Investment Research

DIVI offers shareholders the option to redeem their shares each year (at the board's discretion). In 2025, this was moved from the end of May to the end of August to separate the redemption process from the preparation of the trust's annual

results. On 29 August 2025, c 72.8m shares (c 30.8% of the share base versus c 25.8% in FY24) were offered up.

As the redemption was sizeable, the board opted to create a redemption pool. DIVI's assets and liabilities were divided into two pools: 1) the redemption pool consisting of cash, assets and liabilities attributable to the c 72.8m redemption shares; and 2) all the other cash, assets and liabilities attributable to the remaining shareholders. Once the pool is realised, the redemption price will be disclosed and the proceeds (minus costs, plus dividends and bank interest) disbursed.

Fund profile: Multi-cap income specialist

DIVI was launched on 28 April 2011 and is listed on the Main Market of the London Stock Exchange. Co-managers since launch, Gervais Williams and Martin Turner employ a multi-cap UK income and growth strategy seeking to deliver attractive returns by compounding good and growing dividends even in the absence of stock market appreciation. Williams is a renowned UK equity fund manager, whose passion for and experience of investing, along with his strong performance track record, make him an influential UK stock market opinion leader. He joined Miton Group in March 2011 and is currently head of equities at Premier Miton. Williams has been an equity fund manager since 1985. Turner joined Miton Group in May 2011, having qualified as a chartered accountant in 1992. The two managers have had a close working relationship since 2004 and bring complementary expertise to the partnership.

Williams and Turner have a bias towards investing in small- and mid-cap equities and the bottom-up stock selection approach means sector weights are a secondary consideration. The portfolio does not track a benchmark index; however, DIVI's performance is measured against the Deutsche Numis All-Share Index and the Deutsche Numis Smaller Companies plus AIM ex Investment Companies Index. Portfolio risk is mitigated by having a wide range of holdings; most new positions make up less than 1.5% of the portfolio. At the time of acquisition, a single holding may not make up more than 15% of the fund. Derivatives can be used for efficient portfolio management, gearing and investment purposes. Uncovered short positions are not permitted. Unquoted companies are allowed, subject to prior board approval, up to 5% of the portfolio at the time of investment (none currently held). Gearing via bank facilities and derivative instruments is permitted up to 15% of NAV at the time of borrowing, although the trust is currently ungeared.

Investment process: Pure bottom-up stock selection

Williams and Turner select stocks following thorough fundamental research, seeking companies that generate sustainable cash flows to support growing dividend payments. Businesses paying the largest long-term dividend growth are often those that also deliver the best capital growth. The bias towards smaller firms, which are often under-researched, increases the managers' opportunity to find mispriced securities. They use a traffic light system to assess companies based on five key questions:

1. Are there prospects for rising turnover?
2. Can corporate margins be sustained?
3. Is the management team good enough?
4. How much financial headroom is there in the balance sheet?
5. Does the share price reflect low expectations?

A deterioration in the grading of portfolio companies under any of these measures leads to a reassessment, and the holding could be sold.

DIVI is the only pure multi-cap fund within the AIC UK Equity Income sector. The trust's managers are unconstrained by index considerations and have a very wide universe from which to source attractive opportunities. Many mainstream UK-quoted companies are relatively mature, so have surplus cash available to fund sustainable growing dividends. Some AIM-listed companies become dominant in their specific markets, enabling them to generate surplus cash and superior dividend growth. There are instances when a company's long investment phase comes to an end, paving the way for substantial future cash flow and dividends. The managers also rotate out of companies that have appreciated significantly, resulting in a lower dividend yield. Proceeds are reinvested into companies that are attractively valued and have dividend growth potential.

DIVI's approach to ESG

The board believes that integrating ESG into the investment process helps to achieve DIVI's primary objective of

delivering a good and growing level of dividend income. It supports the managers' focus on helping UK-quoted companies address the climate change agenda and encouraging them to deliver demonstrably socially useful outcomes. Williams and Turner use a variety of ESG information sources, including companies' reports and meetings with their management teams and boards, along with independent specialist ESG research and data, where available, to understand ESG-related risks and opportunities. There is generally more ESG information available for larger companies and, while smaller businesses may have less robust ESG policies and disclosures, this does not necessarily reflect higher ESG risks. When engaging with companies on ESG issues, Williams and Turner encourage discussion on a broad range of topics such as remuneration, safety records, the use of staff surveys, board composition, working conditions in the plants of overseas suppliers and approaches to climate change. The managers are unable to invest in companies that are involved in banned weapons.

Gearing

DIVI has not employed gearing since the fund was launched. The trust had a revolving loan facility with Royal Bank of Scotland, London branch between 4 October 2019 and 3 October 2023, but it was never drawn down.

Fees and charges

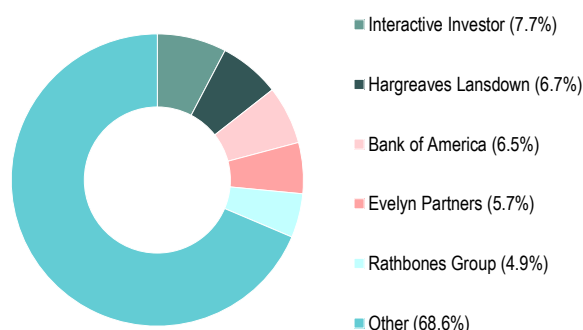
Effective from 1 June 2024, Premier Miton receives a fee of 0.8% per year on the trust's average market cap up to £450m and 0.7% per year of average market cap above £450m (previously 0.9% per year of average market cap up to £300m, 0.8% per year of average market cap between £300m and £500m and 0.7% per year of average market cap above £500m).

The management fee is split 75%:25% between the trust's capital and revenue accounts respectively. DIVI's ongoing charges are higher than its peer group average. The board considers this is justified in the context of the trust's specialist investment universe and the premium returns that DIVI has generated since launch. The FY25 ongoing charge ratio was 1.13%, which was 1bp lower than 1.14% in FY24.

Capital structure

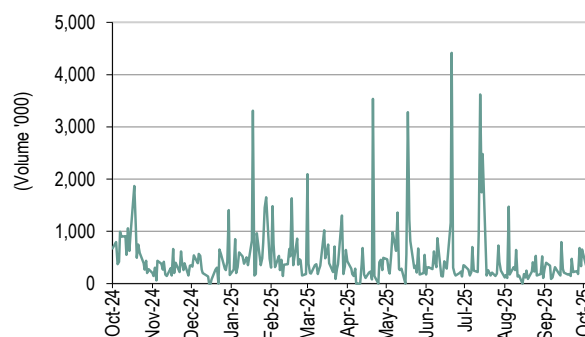
DIVI is a conventional investment trust with one class of share – there are c 163.6m ordinary shares in issue. Over the last year, DIVI's average daily trading volume was c 495k shares.

Exhibit 15: Major shareholders at 31 August 2025



Source: Bloomberg

Exhibit 16: One-year daily volume at 20 October 2025



Source: LSEG Data & Analytics, Edison Investment Research

The board

Calum Thomson will stand down at the October 2026 AGM; the board will initiate a search for a new director in early 2026.

Exhibit 17: DIVI's board at the end of FY25

Board member	Date of appointment	Remuneration in FY25	Shareholdings at end FY25
Andrew Bell (chair since 14 October 2020)	1 January 2019	£44,500	250,000
Calum Thomson	20 December 2016	£36,500	53,591
Caroline Kemsley-Pein	1 January 2019	£32,000	52,458
Michelle McGrade	10 October 2019	£32,000	63,616
Charles Crole	1 February 2022	£32,000	31,936

Source: DIVI

General disclaimer and copyright

This report has been commissioned by The Diverse Income Trust and prepared and issued by Edison, in consideration of a fee payable by The Diverse Income Trust. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
