

# Dunedin Income Growth Investment Trust PLC

## Investment Trust

Performance Data and Analytics to 31 March 2019

### Investment objective

The Company's investment objective is to achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the United Kingdom.

### Benchmark

FTSE All-Share Index total return.

### Cumulative performance (%)

	as at 31/03/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	258.0p	3.0	11.1	3.7	11.5	39.7	21.9
NAV <sup>A</sup>	284.1p	4.4	12.7	1.8	10.4	34.6	28.3
FTSE All-Share		2.7	9.4	(1.8)	6.4	31.3	34.5

### Discrete performance (%)

Year ending	31/03/19	31/03/18	31/03/17	31/03/16	31/03/15
Share Price	11.5	0.3	24.9	(14.1)	1.5
NAV <sup>A</sup>	10.4	(1.3)	23.5	(10.1)	6.1
FTSE All-Share	6.4	1.2	22.0	(3.9)	6.6

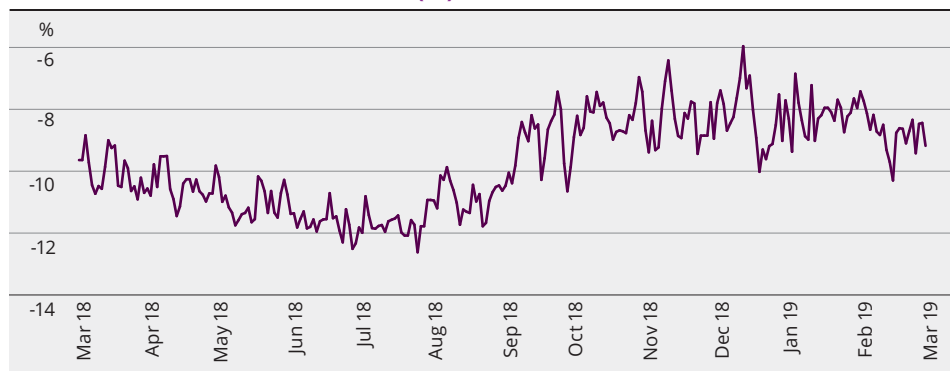
Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis.

Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value.

Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

### 1 Year Premium/Discount Chart (%)



<sup>A</sup> Including current year revenue.

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The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

### Morningstar Rating™



#### <sup>B</sup> Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

### Twenty largest equity holdings (%)

Unilever	4.3
British American Tobacco	4.3
Prudential	4.1
Diageo	4.1
BHP	3.8
RELX	3.7
Rio Tinto	3.6
Royal Dutch Shell 'B'	3.2
Assura	3.2
Chesnara	3.1
Croda	3.1
Total	2.9
Telecom Plus	2.8
National Grid	2.5
Aveva	2.5
GlaxoSmithKline	2.5
Vodafone	2.5
Direct Line	2.5
Edenred	2.4
Weir	2.3
<b>Total</b>	<b>63.4</b>

Based on equity holdings only.

### Largest fixed income holdings (%)

Legal & General 5.875% 29/03/49	28.4
Porterbrook Rail Finance 5.5% 20/04/19	25.0
SSE 3.875%	12.8
Daimler Intl Finance 3.5% 06/06/19	12.0
Rabobank Cap Funding Trust 5.556%	9.3
HSBC Bank Funding 5.862% 29/04/49	6.3
Imperial Brands Finance 7.75% 24/06/19	6.2
<b>Total</b>	<b>100.0</b>

Based on fixed income holdings only.  
Figures may not add up due to rounding.

**Total number of investments** 58

All sources (unless indicated):  
Aberdeen Asset Managers Limited 31 March 2019.

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Institutional investors  
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### Fund managers' report

The FTSE All-Share Index continued its strong start to the calendar year in March rising a further 2.7%, making for a 9.4% return for the first quarter of 2019. This was largely due to more positive sentiment around the outlook for the global economy, a further decline in long term interest rates and a relatively resilient full year reporting period. For the moment the UK stock market also seems able to shrug off the daily vicissitudes related to Brexit. From a sector perspective mining stocks continued to perform strongly following the dam disaster in Brazil which further curtailed iron ore supplies. Tobacco and consumer goods companies were also in favour reflecting the further decline in the discount rate. In contrast financial companies underperformed in the face of weak wholesale trading conditions and lower interest rate expectations. The Trust has seen a solid start to the year from an income generation perspective aided by the announcement of special dividends from Croda, Direct Line and Marshalls.

It was a relatively quiet month for portfolio activity. We made a few small additions to a number of existing holdings. This included buying more Heineken and Weir following good full year results that supported our enthusiasm for the companies' growth prospects. We also modestly increased our holdings in a number of higher yielding positions including GlaxoSmithKline, Chesnara, Total and National Grid, reinvesting cash raised from the disposal of Ultra Electronics in the previous month. In contrast we trimmed our position in Tecan, the Swiss medical diagnostic company, following strong year to date performance. While, following further strong returns and less attractive valuations, we wrote calls over part of our stakes in BHP and Rio Tinto in order to generate some extra income.

Our approach remains unchanged and we continue to focus on improving the medium term income and capital growth potential of the portfolio while maintaining appropriate diversity and balancing the near term requirements of our relatively high yield. Since the start of the year equity markets have largely recovered their losses from the fourth quarter of 2018 though many of the economic and political headwinds have not gone away. In addition, the domestic political situation still remains challenging. While a "no deal" outcome looks unlikely there are increasing signs that the uncertainty is taking its toll on the UK economy, particularly in the form of corporate confidence. Overall, given potentially more volatile markets ahead and the recent recovery in asset prices we see little reason to shift from a conservative focus on higher quality businesses.

The risk outlined overleaf relating to gearing is particularly relevant to the trust, but should be read in conjunction with all warnings and comments given.

### Important information overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 January 2019. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>d</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>e</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

<sup>f</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

<sup>g</sup> Expressed as a percentage of total equities held divided by shareholders' funds.

Sector allocation (%)	
Financials	26.0
Consumer Goods	15.7
Industrials	12.4
Basic Materials	9.9
Health Care	9.8
Telecommunication Services	6.1
Consumer Services	6.0
Oil & Gas	5.8
Technology	2.8
Utilities	2.8
Cash	2.7
<b>Total</b>	<b>100.0</b>

### Key information Calendar

Year end	31 March
Accounts published	March
Annual General Meeting	May
Dividend paid	February, May, August, November
Established	1873
Fund managers	Ben Ritchie Louise Kernohan
Ongoing charges <sup>c</sup>	0.63%
Annual management fee	0.45% on the first £225m, 0.35% on the next £200m and 0.25% over £425m per annum of the net assets of the Company.
Premium/(Discount) with Debt at PAR	(10.5)%
Premium/(Discount) with Debt at fair value	(9.2)%
Yield <sup>d</sup>	5.2%
Active share <sup>e</sup>	71.2%

### Gearing (%)

Net gearing <sup>f</sup>	12.4
Net gearing with Debt at market value <sup>f</sup>	14.0
Equity gearing <sup>g</sup>	(11.2)

Assets/Debt	£'000	%
<b>Gross assets</b>		
Equities - UK	379,735	88.8
Overseas	84,134	19.7
Fixed Income	16,444	3.8
Total investments	480,313	112.3
Cash	16,916	4.0
Other net assets	-	-
Short-term borrowings	(11,288)	(2.6)
3.99% Senior Secured Note 2045	(30,000)	(7.0)
7.875% Debenture 2019	(28,600)	(6.7)
<b>Net assets</b>	<b>427,341</b>	<b>100.0</b>

Receive the factsheet by email as soon as it is available by registering at [www.investments.co.uk/ITemail](http://www.investments.co.uk/ITemail) [www.dunedinincomegrowth.co.uk](http://www.dunedinincomegrowth.co.uk)

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### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

### Capital structure

Ordinary shares	148,273,519
Treasury shares	5,404,416

### Allocation of management fees and finance costs

Capital	60%
Revenue	40%

### Trading details

Reuters/Epic/ Bloomberg code	DIG
ISIN code	GB0003406096
Sedol code	0340609
Stockbrokers	J.P. Morgan Cazenove
Market makers	SETSmm

## Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

### Risk factors you should consider prior to investing:

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

### Other important information:

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