The Diverse Income Trust

Proposed reconstruction and voluntary liquidation

Investment companies
UK multi-cap equity income

23 April 2026

Following on from its announcement on 25 February 2026, the Diverse Income Trust (DIVI) published a circular on 17 April 2026 detailing a proposed reconstruction and voluntary liquidation under section 110 of the Insolvency Act 1986. The board believes it is in shareholders' best interests to liquidate the trust and give them the option of rolling their investment into Premier Miton UK Multi Cap Income Fund, a sub-fund of Premier Miton Investment Funds 3, or to receive a cash exit at net asset value, in each case, less the costs of the proposals.

Since inception on 28 April 2011, DIVI has delivered on its objectives of providing an attractive and growing level of dividends coupled with capital growth over the long term via a diversified portfolio of companies across the capitalisation spectrum. The trust generated an NAV total return of 323.9% between its launch and 31 March 2026. Over this period, it traded at an average 1.9% discount, but in the last three years the discount widened due to negative sentiment towards the UK equity income sector. Since launch, DIVI has offered shareholders an annual redemption facility for up to 100% of their ordinary shares. In the first 10 years, the board believed that this meant that the trust traded at a premium to its peers, resulting in minimal redemptions. However, there have been significant redemptions in the last three years (30.8% of the share base in 2025). This has lowered DIVI's net assets to c £203.5m, which the board believes has reduced the marketability of the trust and increased costs as a percentage of net assets.

Hence, the board is proposing a voluntary liquidation, whereby DIVI's shareholders will be offered the opportunity to roll over their investments into the sub-fund, which is also managed by Premier Fund Managers, to receive cash, or a mix of both. DIVI's managers, Gervais Williams and Martin Turner, also manage the sub-fund, using the same value-based strategy (see our recent update note). From 14 October 2011 (since both DIVI and the sub-fund were in existence) to 31 March 2026, DIVI and the sub-fund generated annualised NAV total returns of 10.9% and 10.0% respectively, which are both meaningfully ahead of the 8.3% annualised total return of the Deutsche Numis All Share Index over the same period. DIVI and the sub-fund have similar investment objectives, and there is a significant overlap in the funds' holdings. However, the sub-fund is somewhat larger (net assets of c £286m at 31 March 2026) and has a lower ongoing charges ratio.

Approval is required to implement the board's proposals, so two general meetings have been convened. The first is on 12 May 2026, where resolutions will include the approval of the terms of DIVI's proposed reconstruction and voluntary liquidation, and the second is on 26 June 2026, for the purposes of appointing the liquidators and winding up the trust. The resolutions will require the approval of 75% or more of the votes cast at the relevant meeting. Costs of implementing the proposals are estimated at c £790,000; they will be borne by all shareholders and are not already reflected in DIVI's NAV. Further details, including an expected timeline are available here.

On 17 April 2026, DIVI declared a third FY26 interim dividend of 1.20p per share, which was a 9.1% increase year-on-year. On 21 April 2026, the trust's board announced an acceleration in the payment date for the second FY26 interim dividend from 29 May to 28 April 2026.

Price		**117.50p**
Market cap		**£192m**
Total assets		**£205m**
NAV		125.2p
[1]NAV at 21 April 2026.		
Discount to NAV		6.2%
Current yield		3.9%
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	121.0p	92.4p
NAV high/low	130.3p	97.4p
Net gearing		0.0%

[1]Net gearing at 31 March 2026.

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.

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