

# Dunedin Income Growth Investment Trust PLC

DIG

## Morningstar Peer Group Classification

UK Equity Income

### Investment Objective

To achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the UK.

### Valuation statistics (NAVs estimated<sup>1</sup>) GBX

|                          | 16 Jul 2018 | 12 m High | Low    |
|--------------------------|-------------|-----------|--------|
| Price                    | 256.75      | 268.50    | 237.00 |
| Fair Cum NAV             | 289.21      |           |        |
| Fair Ex NAV              | 280.98      |           |        |
| Par Cum NAV              | 294.51      |           |        |
| Par Ex NAV               | 286.63      | 297.02    | 260.53 |
| Fair Cum Discount        | -10.79      |           |        |
| Fair Ex Discount         | -8.18       |           |        |
| Par Cum Discount         | -12.40      |           |        |
| Par Ex Discount          | -10.43      | -7.68     | -11.50 |
| Peer Group Discount      | -4.01       |           |        |
| Z-Statistic <sup>2</sup> | -0.24       |           |        |

### Last Actual NAVs (GBX) as at 13 Jul 2018

|              |        |
|--------------|--------|
| Fair Cum NAV | 291.72 |
| Fair Ex NAV  | 283.49 |
| Par Cum NAV  | 297.07 |
| Par Ex NAV   | 288.84 |

### Key Data

|   |              |
|---|--------------|
| Domicile                                | UK           |
| Launch Date                             | 01 Feb 1873  |
| Financial Year-end                      | 31 Jan       |
| Exchange                                | London (LSE) |
| Next AGM                                | May 2019     |
| NAV Frequency                           | Daily        |
| Dividend Frequency                      | Quarterly    |
| Total Assets (GBP)                      | 525.7m       |
| Net Assets (GBP)                        | 426.9m       |
| Shares Outstanding                      | 148,910,799  |
| Gross Gearing <sup>3</sup>              | 123          |
| Net Gearing <sup>4</sup>                | 121          |
| Average Daily Shares Traded (1yr)       | 0.114m       |
| Average Daily Value Traded (1yr)        | 0.298m       |
| Total Expense Ratio <sup>5</sup> (2018) | 0.62%        |
| Market Capitalisation (GBP)             | 382.3m       |
| Net Dividend Yield <sup>6</sup>         | 4.91%        |

### Dividend Policy

The fund intends to pay quarterly dividends

### Year-on-Year Dividend Growth % (financial year 31 Jan)

|  | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------|------|------|------|------|
|  | 4.13 | 3.42 | 2.63 | 1.33 | 1.35 |

### Dividend Growth % (annualised on current financial year)<sup>7</sup>

|  | 1 year | 2 years | 3 years | 4 years | 5 years |
|--|--------|---------|---------|---------|---------|
|  | 4.13   | 3.77    | 3.39    | 2.87    | 2.57    |

### Directors

David Barron (Chairman), Catherine Claydon, Jasper Judd, Elisabeth Scott, Howard Williams

**Fund Manager:** Louise Kernohan (29 Sep 2016) / Ben Ritchie (31 Mar 2013)

### Aberdeen Asset Management

40 Princes Street, Edinburgh, UK, EH2 2BY

**Telephone:** +44 (0)131 528 4000

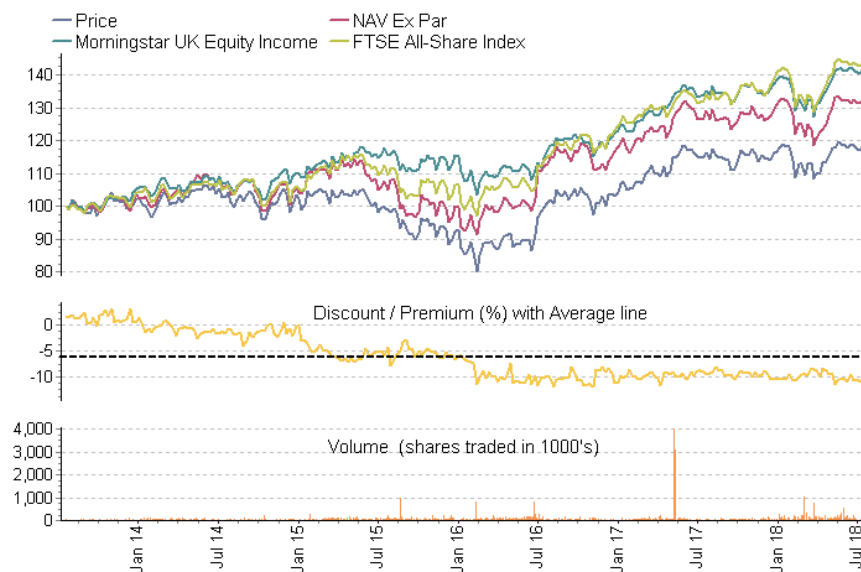
**Website:** www.dunedinincomegrowth.co.uk

**Stockbroker:** JP Morgan Cazenove

### Management Fee Summary

Management fee 0.45% on the first GBP225m, 0.35% on the next GBP200m, and 0.25% on amounts over GBP425m p.a. of Net Assets. Contract terminable on six months notice.

## Total Return Performance (GBP) over 5 years (or since inception)



## Performance (Total Return %)<sup>8</sup> GBP

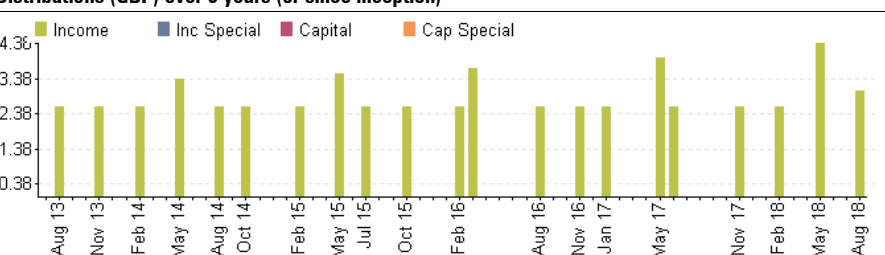
|                    | 1 month | 3 months | 6 months | 1 year | YTD   | 3 years | 5 years |
|--------------------|---------|----------|----------|--------|-------|---------|---------|
| Price              | -0.87   | +4.90    | -0.63    | +2.34  | +0.89 | +17.74  | +19.09  |
| NAV                | +0.04   | +7.34    | -0.69    | +3.53  | +0.43 | +21.56  | +32.36  |
| Peer Group (Price) | -0.72   | +6.25    | +1.16    | +5.57  | +1.86 | +20.17  | +41.56  |
| Peer Group (NAV)   | +0.01   | +6.72    | +1.16    | +6.29  | +1.61 | +23.51  | +49.45  |
| Benchmark          | -0.44   | +6.54    | +0.39    | +7.74  | +1.32 | +26.47  | +44.10  |

Peer Group: Morningstar IT UK Equity Income P  
Morningstar Benchmark: FTSE All-Share Index  
Fund distributions reinvested on ex-dividend date<sup>9</sup>

## Dividend Yields over 5 years (or since inception)



## Distributions (GBP) over 5 years (or since inception)



## Latest Dividend History (GBP)

| Type   | Dividend | Declared Date | Ex Div Date | Record Date | Payment Date | Financial Year |
|--------|----------|---------------|-------------|-------------|--------------|----------------|
| Income | 3.000    | 02 Jul 18     | 02 Aug 18   | 03 Aug 18   | 24 Aug 18    | 2019           |
| Income | 4.375    | 29 Mar 18     | 03 May 18   | 04 May 18   | 30 May 18    | 2018           |
| Income | 2.575    | 16 Jan 18     | 01 Feb 18   | 02 Feb 18   | 23 Feb 18    | 2018           |
| Income | 2.575    | 29 Sep 17     | 02 Nov 17   | 03 Nov 17   | 24 Nov 17    | 2018           |
| Income | 2.575    | 30 Jun 17     | 03 Aug 17   | 04 Aug 17   | 25 Aug 17    | 2018           |
| Income | 3.975    | 31 Mar 17     | 04 May 17   | 05 May 17   | 26 May 17    | 2017           |
| Income | 2.575    | 23 Jan 17     | 02 Feb 17   | 03 Feb 17   | 24 Feb 17    | 2017           |
| Income | 2.575    | 30 Sep 16     | 03 Nov 16   | 04 Nov 16   | 25 Nov 16    | 2017           |
| Income | 2.575    | 01 Jul 16     | 04 Aug 16   | 05 Aug 16   | 26 Aug 16    | 2017           |
| Income | 3.675    | 31 Mar 16     | 05 May 16   | 06 May 16   | 27 May 16    | 2016           |
| Income | 2.575    | 12 Jan 16     | 04 Feb 16   | 05 Feb 16   | 26 Feb 16    | 2016           |
| Income | 2.575    | 06 Oct 15     | 05 Nov 15   | 06 Nov 15   | 27 Nov 15    | 2016           |

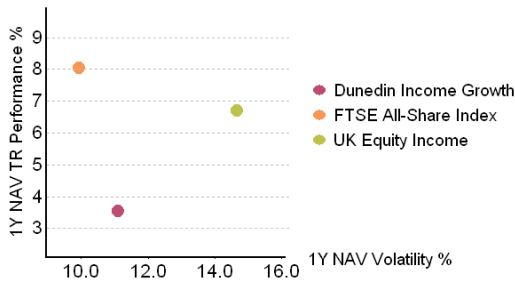
## Initial Public Offering

on 01 Feb 1873

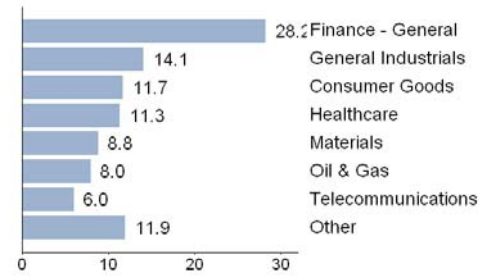
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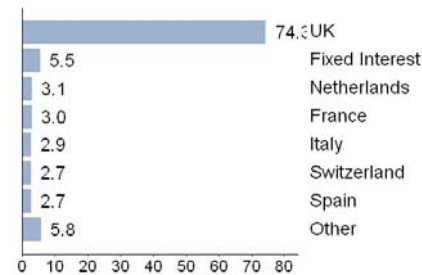
## Risk & Return<sup>9</sup>



## Sector Breakdown (%)



## Geographic Breakdown (%)



## Largest Holdings (% Portfolio<sup>10</sup>) as at 31 May 2018

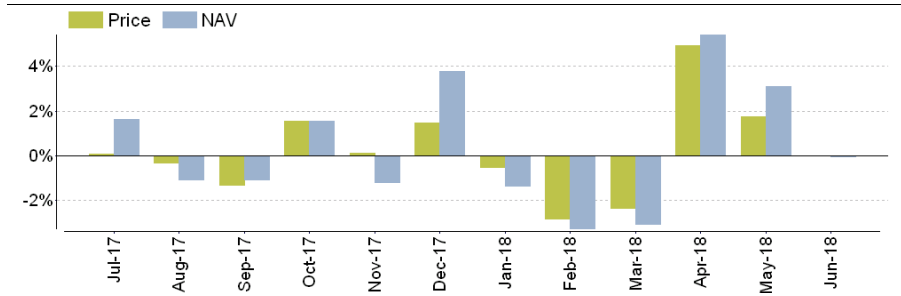
|                          |              |
|--------------------------|--------------|
| Royal Dutch Shell Plc B  | 5.4%         |
| British American Tobacco | 4.7%         |
| Unilever Plc             | 4.4%         |
| Prudential Plc           | 4.3%         |
| HSBC Holdings Plc        | 4.0%         |
| BHP Billiton Limited     | 3.8%         |
| AstraZeneca              | 3.6%         |
| Rio Tinto Plc            | 3.5%         |
| Total                    | 3.5%         |
| Vodafone Group Plc       | 3.4%         |
| <b>Total</b>             | <b>40.4%</b> |

## Capital Structure

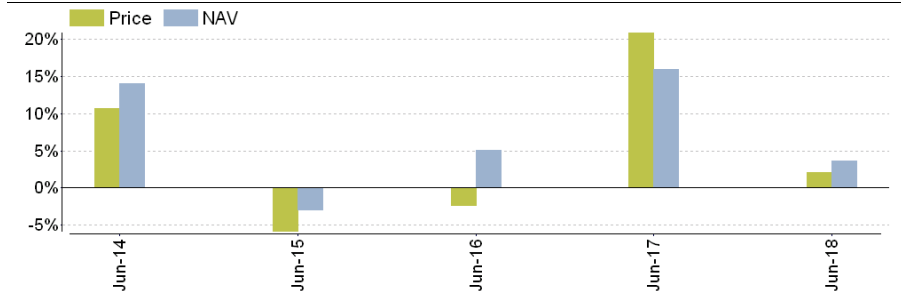
| Number of Shares | Share Type      |
|------------------|-----------------|
| 148,910,799      | Ord 25p         |
| 4,767,136        | Treasury Shares |

| Loan CCY | £m   | Redemption  | Coupon |
|----------|------|-------------|--------|
| GBP      | 28.6 | 30 Apr 2019 | 7.875% |
| GBP      | 28.6 | -           | -      |
| EUR      | 11.6 | -           | -      |
| GBP      | 30.0 | -           | -      |

## Discrete Monthly Price & NAV Total Return % (GBP)



## Discrete Yearly Price & NAV Total Return % (GBP)



## Risk & Correlation

|   | 3 months | 6 months | 1 year | 3 years | 5 years |
|---|----------|----------|--------|---------|---------|
| Alpha (NAV) <sup>11</sup>                 | 0.02     | -0.01    | -0.35  | -0.19   | -0.22   |
| Beta (NAV) <sup>12</sup>                  | 0.95     | 1.05     | 0.90   | 1.11    | 1.13    |
| R-squared (NAV) <sup>13</sup>             | 0.85     | 0.90     | 0.90   | 0.85    | 0.86    |
| Sharpe (NAV) <sup>14</sup>                | 2.48     | -0.08    | 0.37   | 0.70    | 0.58    |
| Price Volatility <sup>15</sup>            | 13       | 16       | 13     | 17      | 16      |
| NAV Volatility <sup>15</sup>              | 11       | 13       | 11     | 15      | 14      |
| Benchmark Volatility <sup>15</sup>        | 11       | 12       | 10     | 14      | 13      |
| Peer Group Price Volatility <sup>15</sup> | 9        | 12       | 9      | 13      | 12      |
| Peer Group NAV Volatility <sup>15</sup>   | 14       | 17       | 15     | 12      | 13      |

## Additional Performance (Total Return<sup>8</sup>) GBX

| Period                           | Price   | NAV     | Peer Price | Peer NAV | Benchmark |
|----------------------------------|---------|---------|------------|----------|-----------|
| 2018                             | +0.89   | +0.43   | +1.86      | +1.61    | +1.32     |
| 2017                             | +12.15  | +10.88  | +12.65     | +12.80   | +13.10    |
| 2016                             | +12.24  | +18.27  | +6.78      | +10.18   | +16.75    |
| 2015                             | -9.58   | -4.37   | +5.09      | +6.51    | +0.98     |
| 2014                             | +0.68   | +1.14   | +3.98      | +4.20    | +1.18     |
| 2013                             | +21.42  | +21.89  | +29.87     | +29.69   | +20.81    |
| Since FTSE 2009 Low (13 Mar 09)  | +229.05 | +250.45 | +285.63    | +296.20  | +228.21   |
| Since Sub-Prime (20 Nov 07)      | +79.98  | +74.68  | +142.00    | +124.43  | +93.43    |
| Since FTSE 2007 Peak (13 Oct 07) | +60.81  | +58.70  | +118.93    | +107.13  | +78.73    |

## Wind-up Provisions/Buy Back Policy

The Company has an unlimited life.

1 **NAV Estimation** - Fair value of debt refers to the market price of the debt if it is traded or, if it is not traded, an estimation of its value calculated using points over gilt methodology.  
Cum Income NAVs include net revenue in the financial year to date. All estimates are fully diluted for the effects of warrants, convertibles or treasury shares. NAV estimations are created and maintained by Morningstar. For more detailed methodology document please contact FD.Support@morningstar.com

2 **Z-Statistic 1y** - Shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount - Mean) / Std Dev

3 **Gross Gearing** - The ratio of estimated gross Assets to the Net Assets, expressed as a percentage

4 **Net Gearing** - The ratio of estimated Gross Assets minus cash and fixed interest to the Net Assets, expressed as a percentage. Cash and fixed interest represents not-equity exposure.

5 **Total Expense Ratio** - (Total Expenses - Performance Fees - Cost of Leverage - Tax - Restructuring Costs) / Average Net Assets

6 **Net Dividend Yield** - This is calculated by dividing the current financial years dividends (this will include prospective dividends) by the current price.

7 **Dividend Growth** - The annualised percentage growth in dividends. Based upon the current financial year, including any future estimates or forecasts.

8 **Performance** - Calculated using start and end period Share Prices or NAV Dividends are reinvested on the ex-dividend date at the prevailing Share Price or NAV.

9 **Risk & Return** - 1 Year ex income par NAV total return performance against 1 Year NAV volatility. Please see notes 8 and 15 for performance and volatility definitions respectively.

10 **Portfolio** - In order to calculate the portfolio value we deduct any holdings in cash only (Note that Fixed Interest is not included).

11 **Alpha** - The difference between the fund's average excess total return and the benchmark's average excess total return.

12 **Beta** - The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

13 **R-squared** - A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.

14 **Sharpe** - A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

15 **Volatility** - The annualized standard deviation of the logged daily returns, adjusting for distributions from capital.