

EIGHT INVESTMENT TRUSTS JOIN THE NEXT GENERATION OF DIVIDEND HEROES

- 33 investment trusts have raised dividends for 10 to 19 consecutive years

- See below for table and manager comments

Following the release of its dividend hero list last week, the **Association of Investment Companies (AIC)** has published an updated ranking of the **next generation of dividend heroes**.

These are the **33 investment trusts** that have increased their dividends for **10 or more consecutive years but less than 20**.

Eight investment trusts have joined the next generation of dividend heroes this year, having achieved a decade of consecutive annual dividend increases. The new joiners are **CT UK High Income Trust, Mercantile Investment Trust, ICG Enterprise Trust, Canadian General Investments, Henderson International Income Trust, RIT Capital Partners, BBGI Global Infrastructure** and **Greencoat UK Wind**.

Artemis Alpha Trust and **Murray International Trust** lead the next generation of dividend heroes, both having increased their annual dividends for **19 consecutive years**. They are closely followed by **Schroder Oriental Income** and **BlackRock Greater Europe**, which both have an unbroken **17-year record** of dividend increases. Two investment companies have **16 years** of dividend increases: **CQS New City High Yield Fund** and **Henderson Far East Income**.

Annabel Brodie-Smith, Communications Director of the Association of Investment Companies (AIC), said: "Investment trusts' ability to smooth dividends over time makes them particularly attractive to income seekers. They can do this because they are allowed to hold back up to 15% of their income each year, which they can use to boost payouts in leaner years. This helped eight investment trusts join the next generation of dividend heroes this year as they continued to deliver rising dividends to shareholders.

"The eight trusts joining the list this year are from a range of sectors, from renewable energy to UK and global shares. Their ability to keep growing their dividends through challenging times is reassuring – though investors should remember that dividends are never guaranteed."

The next generation of investment trust dividend heroes

Investment trust	AIC sector	Number of consecutive years dividend increased	Dividend yield (%)	5-year annualised dividend growth rate (%)
Artemis Alpha Trust	UK All Companies	19	1.81	5.03
Murray International Trust	Global Equity Income	19	4.66	2.23
Schroder Oriental Income	Asia Pacific Equity Income	17	4.59	4.00
BlackRock Greater Europe	Europe	17	1.05	3.26
CQS New City High Yield Fund	Debt - Loans & Bonds	16	8.86	0.31
Henderson Far East Income	Asia Pacific Equity Income	16	10.95	2.30
International Public Partnerships	Infrastructure	15	6.50	2.56
abrdn Asian Income Fund	Asia Pacific Equity Income	15	5.76	5.13
Fidelity Special Values	UK All Companies	14	3.12	11.97
Lowland Investment Company	UK Equity Income	14	5.39	2.97
Law Debenture Corporation	UK Equity Income	14	4.09	11.11
Invesco Select Trust – Global Equity Income Shares	Global Equity Income	13	2.69	1.45
TR Property Investment Trust	Property Securities	13	4.90	4.90
Chelverton UK Dividend Trust	UK Equity Income	13	8.94	6.83
Aberforth Smaller Companies	UK Smaller Companies	13	3.04	6.53
Henderson Opportunities Trust	UK All Companies	13	0.70	11.07
Fidelity European Trust	Europe	12	1.99	12.10
North American Income Trust	North America	12	3.99	7.12
Dunedin Income Growth	UK Equity Income	12	4.75	1.60
Fidelity China Special Situations	China / Greater China	12	3.29	12.30
CT Global Managed Portfolio Income	Flexible Investment	12	6.55	4.78
Lindsell Train Investment Trust	Global	12	6.30	19.32
CT Private Equity Trust	Private Equity	11	5.77	12.91
Mid Wynd International	Global	11	1.02	7.04
Henderson High Income Trust	UK Equity & Bond Income	11	6.74	1.52
CT UK High Income Trust	UK Equity Income	10	6.64	2.46
Mercantile Investment Trust	UK All Companies	10	3.18	6.17
ICG Enterprise Trust	Private Equity	10	2.57	7.39

Canadian General Investments	North America	10	2.64	4.78
Henderson International Income Trust	Global Equity Income	10	4.64	7.10
RIT Capital Partners	Flexible Investment	10	2.14	2.86
BBGI Global Infrastructure	Infrastructure	10	6.59	3.27
Greencoat UK Wind	Renewable Energy Infrastructure	10	7.21	8.15

Source: theaic.co.uk / Morningstar. Investment trusts with the same number of years of consecutive dividend increases are ordered by the date the final dividend was declared. Data as at 12/03/2024.

Reactions from the new joiners

Ben Lofthouse, Portfolio Manager of Henderson International Income Trust, said: “We are very pleased to have delivered a decade of dividend growth to our shareholders, including through some challenging market conditions. It is a testament to the benefits of both the investment trust structure and the income opportunity offered by a global universe of stocks.”

Jonathan Morgan, President and CEO of Canadian General Investments, said: “We are delighted to join this esteemed list, delivering not only reliable income, but also long-term capital appreciation for UK investors through access to the Canadian market. We aim to continue this record, giving shareholders greater income reliability via rising quarterly dividends and scope for share price appreciation.”

Duncan Ball, CEO of BBGI Global Infrastructure, said: “We offer investors a contracted, stable and predictable revenue stream with high-quality inflation linkage of 0.5%, underpinned by highly rated, creditworthy public sector counterparties. We manage our portfolio responsibly to generate high-quality, stable, predictable and inflation-linked cash flows, which support our strong dividend cover. This allowed us to target increasing our dividends by 6% for both 2023 and 2024 – sector-leading increases.”

Guy Anderson, Portfolio Manager of Mercantile Investment Trust, said: “Our dividend payments are sourced from income generated by the trust’s investments, but as an investment trust we have the ability to retain or use reserves, so that the dividend can be smoothed over time. This means that during challenging periods for markets, the dividend can be topped up from revenue reserves, resulting in a more reliable income regardless of the market conditions.”

Stephen Lilley, Investment Manager of Greencoat UK Wind, said: “We are delighted to be joining the AIC’s next generation of dividend heroes. Our simple, transparent, low risk and proven strategy continues to deliver strong, consistent returns for shareholders.

“Since our IPO 11 years ago, we have increased our dividend every year at least in line with RPI, and with the final dividend for the year, our investors will have received over £1 billion of dividends since listing.”

Opportunities on the horizon

Guy Anderson, Portfolio Manager of Mercantile Investment Trust, said: “With an improving domestic economic backdrop, low valuations and strong performing portfolio companies, we are finding many exciting investment opportunities across the UK mid- and small-cap spectrum, as demonstrated by Mercantile’s elevated level of gearing, at around 15%.”

Stephen Lilley, Investment Manager of Greencoat UK Wind, said: “We are one of the largest owners of wind farms in the UK and the outlook for Greencoat UK Wind is extremely encouraging. We are now delivering net returns to investors of 10% on NAV, and we remain committed to continue to grow our dividend in line with RPI.”

Duncan Ball, CEO of BBGI Global Infrastructure, said: “As governments continue to run deficits and demand for maintaining, repairing and constructing new infrastructure grows, there’s an increasing need for private sector investment in infrastructure, presenting long-term opportunities for BBGI.”

Ben Lofthouse, Portfolio Manager of Henderson International Income Trust, said: “There are a very broad range of opportunities in markets at the moment, but we currently see the best opportunities in stocks exposed to growing industries on a global basis. The portfolio’s largest exposures are in technology, healthcare, and financials in several geographies.”

Jonathan Morgan, President and CEO of Canadian General Investments, said: “As interest rates look set to fall in 2024, investors should look to the often-neglected Canadian market which could deliver some solid returns, and we feel that CGI offers an efficient proxy to buy into it.”

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Notes to editors

1. The Association of Investment Companies (AIC) represents a broad range of investment trusts and VCTs, collectively known as investment companies. The AIC's vision is for closed-ended investment companies to be understood and considered by every investor. The AIC has 334 members and the industry has total assets of approximately £272 billion.
2. For more information about the AIC and investment trusts, visit the AIC's website.
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