

Dunedin Income Growth Investment Trust PLC

Legal Entity Identifier (LEI): 549300PPXLZPR5JTL763

New Dividend Policy and Declaration of Second Interim Dividend

9 September 2025

The Board of Dunedin Income Growth Investment Trust PLC (the “Board”) is pleased to announce:

That it will utilise capital and income reserves to significantly increase dividend distributions to shareholders and enhance investment flexibility.

This will result in:

- An increased total dividend of at least 19.1p per share for the year ending 31 January 2026, representing an increase of 34.5% compared to the previous year.
- A notional dividend yield of 6.0% on NAV and a share price dividend yield of 6.5%.
- A second interim dividend for the year ending 31 January 2026 of 4.25p per share payable, as usual, in November 2025.

It is the Board’s intention to continue with a progressive dividend policy with growth in absolute terms in future years from the increased level, and building on the successful long-term track record of dividend increases.

The Association of Investment Companies classifies the Company as one of the ‘Next Generation of Dividend Heroes’ being one of the 30 investment trusts that have raised their dividend for between 10 and 19 consecutive years.

Rationale for the Change

Over the long-term, income return through dividends has been a significant proportion of the total return generated by the Company, and the Board is very aware of the importance of regular and reliable dividends to shareholders.

The Board also notes the significant change that has taken place in the distribution policy of the businesses in which the Company invests. This has seen companies increasingly favour share buy backs over dividend distributions. The net buy back yield alone on the FTSE All Share Index at the end of 2024 was almost 2%, having been close to zero in 2014. At the same time, the total Sterling amount of dividend payments expected to be made by UK companies in 2025 is only marginally higher than it was in 2014.

Alongside this, the Board notes the substantial increase in interest rates since late 2021 which has made holding cash a more attractive proposition than was the case for the period following the global financial crisis. Today, cash rates offer a premium yield comparable with the dividend yield available on the FTSE All Share Index (3.4%).

Recognising investors’ continued appetite for yield, the Board has reviewed the Company’s dividend policy with the aim of making the Company’s shares more attractive to a wider range of investors whilst making use of the inherent advantages of the investment trust structure.

Accordingly, for the year ending 31 January 2026, it is the Board's intention that the Company's dividend will be increased to a minimum of 6.0% of the NAV as at 31 July 2025 (being the most recent financial quarter end), offering a highly attractive yield compared to cash, the FTSE All Share Index and peers in the UK Equity Income sector. This amounts to a total dividend for the year of at least 19.1p per share, an increase of 34.5% compared to the total dividend of 14.2p for the year ended 31 January 2025. Based on the share price of 293p as at 8 September 2025, this represents a notional dividend yield of 6.5%.

The year ending 31 January 2025 was the 41st year out of the past 45 years that the Company has grown its dividend (+3.3% on the previous year and ahead of the rate of inflation¹), with the distribution maintained in the other four years.

It is the Board's intention that, following this step up in distribution, the Company will continue to have a progressive dividend policy, delivering absolute increases in dividends per share to build on its successful long-term record of dividend increases.

The Company will fund the dividend cost from a combination of revenue and capital generation thus utilising one of the key benefits of the investment company structure. In addition, the Company has substantial revenue and capital reserves totalling £298 million as at July 2025, equivalent to approximately 12 years of the new dividend distribution, underpinning the policy for the future.

The Board does not expect changes to the investment process as a result of the new dividend policy, with the Company continuing to focus on high-quality companies and long-term capital and income growth, supported by a disciplined investment approach and integration of sustainability. It will, however, give the Company's managers additional flexibility to focus on delivering total returns.

Second Interim and Proposed Dividends

The second interim dividend in respect of the year ending 31 January 2026 of 4.25p per share, will be payable on 28 November 2025 to shareholders on the register on 7 November 2025, with an ex-dividend date of 6 November 2025.

A first interim dividend of 3.2p was paid on 29 August 2025. The remaining dividends for the year will comprise a further interim dividend of 4.25p payable in February 2026, and a final dividend of at least 7.4p per share payable in May 2026. Formal dividend announcements will be made in advance of each of these payments.

For future financial years, the Board anticipates three equal interim dividend payments followed by a balancing final dividend.

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¹ As measured by CPI