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Initiation | Investment companies

4 May 2017

Henderson Diversified Income Trust plc

Onshore, on-message, on-form

Henderson Diversified Income Trust plc (HDIV) has completed its move to a UK domicile and it is business as usual. With the freedom to access the whole of the fixed and floating rate income market in search of returns, its managers remain focused on producing an attractive yield from a portfolio designed to protect investors' capital. Its managers are delivering, consistently, benchmark-beating returns.

High income from a flexible fixed income portfolio

HDIV's objective is to seek income and capital growth such that, on a rolling annual basis, the total return on the NAV exceeds three-month sterling LIBOR plus 2%. It has a global mandate and invests in a diversified portfolio of global fixed and floating rate income asset classes including secured loans, government bonds, investment grade corporate bonds, high yield (sub-investment grade) corporate bonds, unrated corporate bonds and asset backed securities. The company may also invest in high yielding equities and derivatives.

Dividends, which comprise the bulk of returns for investors, are paid quarterly.

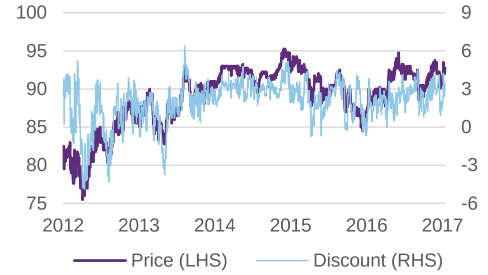
Year ended	Share price total return (%)	NAV total return (%)	Three-month LIBOR plus 2%/1.25%* (%)
31/03/13	12.9	14.2	2.1
31/03/14	10.8	9.9	1.8
31/03/15	8.5	8.3	2.1
31/03/16	(2.1)	1.4	2.6
31/03/17	12.1	9.7	2.5

Source: Morningstar, Marten & Co. *Note: Until 31 October 2014 Henderson Diversified Income used Three-month sterling LIBOR + 1.25% as a target return. Three-month sterling LIBOR +2.0% has been used since 1 November 2014.

Sector	Global high income
Ticker	HDIV LN
Base currency	GBP
Price	91.25p
NAV	89.4p
Premium/(discount)	2.1%
Yield	5.6%

Share price and discount

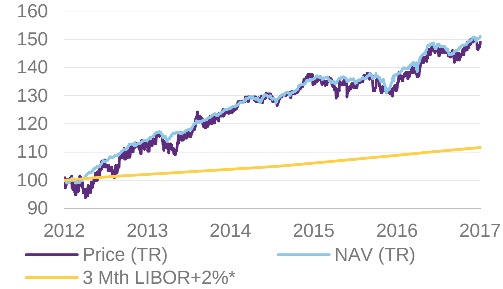
Time period 31/03/12 to 31/03/17



Source: Morningstar, Marten & Co

Performance over five years

Time period 31/03/12 to 31/03/17



Source: Morningstar, Marten & Co, * Note: 3-month sterling LIBOR + 1.25% pre-1 November 2014, 3-month sterling LIBOR +2.0% since.

Domicile	United Kingdom
Inception date	18 July 2007
Manager	John Pattullo and Jenna Barnard
Market cap	166.3m
Shares outstanding	182.2m
Daily vol. (1-yr. avg.)	316,000 shares
Net gearing	16.3%

NB: this marketing communication has been prepared for Henderson Diversified Income Trust by Marten & Co (which is authorised and regulated by the Financial Conduct Authority) and is non-independent research as defined under the Financial Services Act 2000 (Financial Promotion) Order 2005. It is intended for use by investment professionals as defined in article 19.(5) of that Order. Marten & Co is not authorised to give advice to retail clients and, if you are not a professional investor, or in any other way are prohibited or restricted from receiving this information you should disregard it. Charts and data are sourced from Morningstar unless otherwise stated. Please read the important information at the back of this document.

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The start of a new chapter

Redomicile complete

On 26 April 2017 shareholders of Henderson Diversified Income Limited approved the redomicile of the company from Jersey to the United Kingdom. Shares in Henderson Diversified Income Trust plc (HDIV) started trading at 8am on 27 April 2017. Shareholders received one share in the UK investment trust for every one share they held in the Jersey company. The assets of the Jersey company and its Luxembourg subsidiary were transferred to the UK investment trust and the Jersey company has been placed into liquidation. The decision to redomicile the company followed a review which concluded that the move would reduce the tax risk associated with the old structure and lead to reduced running costs.

Lower running costs

This marks the start of a new chapter in the life of this company but the intention is that apart from some welcome cost savings (the new company has lower annual running costs than the old, saving about £150,000 a year – see the Fees and Costs section for more detail) it will be business as usual for the fund. The managers, who have been responsible for the portfolio since the fund was launched in 2007, remain focused on delivering attractive returns to shareholders while seeking to preserve their capital.

Fund Profile

More information is available at the trust's website: www.hendersondiversifiedincome.com

Henderson Investment Funds Limited is HDIV's Alternative Investment Fund Manager (AIFM) and Henderson Global Investors Limited is the delegated investment manager. The Henderson Group had over £100bn of AUM at the end of December 2016. The named fund managers are John Pattullo and Jenna Barnard. They have been managing the fund since it was launched in 2007 and have been working together at Henderson since 2002. They are part of a five-strong Strategic Fixed Income team which is supported by Henderson's wider fixed income team and its seven-strong specialist secured loan team. Responsibility for the selection of suitable secured loans is delegated to the specialist secured loan team led by David Millward. HDIV uses three-month LIBOR plus 2% as a benchmark.

Investment restrictions

Wide-ranging, diversified fixed income portfolio

HDIV invests in unlimited amounts of secured loans; government bonds; investment-grade, high-yield and unrated corporate bonds. Up to 40% of the portfolio can also be invested in asset-backed securities and up to 10% of the portfolio can be invested in high-yielding equities. No more than 10% of the fund can be invested in any one issuer. Exposure to any one counterparty with a credit rating less than a single A or equivalent is limited to 5% of the portfolio.

Derivatives

Gearing is used to arbitrage between the cost of debt and the yields available from investments. HDIV can also boost its income in exchange for taking on some default risk. In addition to gearing provided through a borrowing facility (see page 16), credit default swaps (CDS) are used to provide gearing to the portfolio. The managers can use derivatives (CDS, interest-rate futures and swaps) in the management of the portfolio – it lets them manage exposures without buying or selling the underlying securities. Exposure to credit derivatives (synthetic gearing) is capped at 40% of net assets and the combination of synthetic gearing and more traditional gearing is also capped at 40% of net assets. HDIV's interest-rate exposure is managed in a range of 0 to 8 years. Forward currency contracts are used to hedge foreign currency exposures.

Managers' view

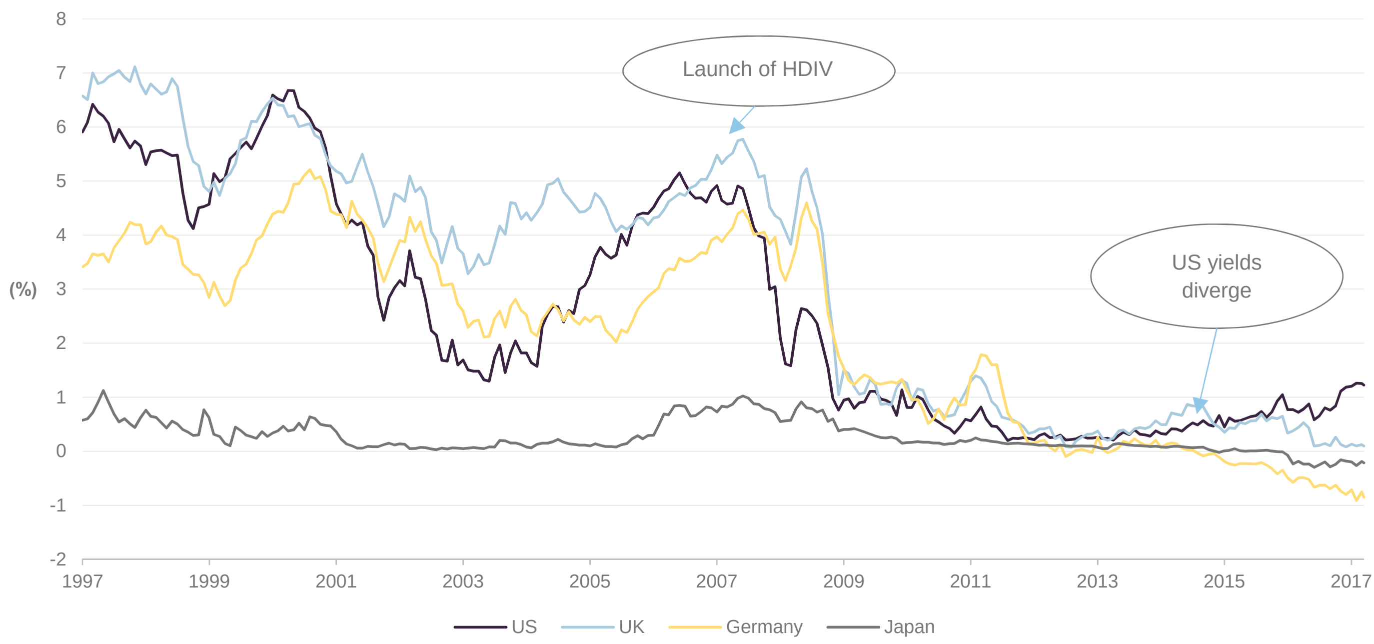
Political uncertainty hangs over Europe but the managers see little sign of excess

In general, the managers see greater risk from political events than from excessive leverage. In Europe, political uncertainty is weighing on markets. While the result of the Dutch election soothed some fears, anti-EU and anti-euro sentiment within some parties in Germany and France is creating nervousness which in turn presents both threats and opportunities. The fear would be that the prospect of an exit of a major economy from the euro might call the solvency of EU banks into question once again. In general, the managers see little signs of excess in the European market. Having said that they are wary of some markets – Italy for example.

US reflation attempts may have limited impact

In the US, the managers think President Trump's policies have the potential to extend the economic cycle, if enacted. The market has embraced the reflation trade in the US and the managers saw no reason to take an opposing stance (they cut the duration of the US portfolio in the wake of the election) but, more recently, the failure to enact healthcare reform has put a question mark over the US administration's ability to execute its plans and the managers are sceptical that the US economy can grow much faster.

Figure 1: Two-year government bond yields



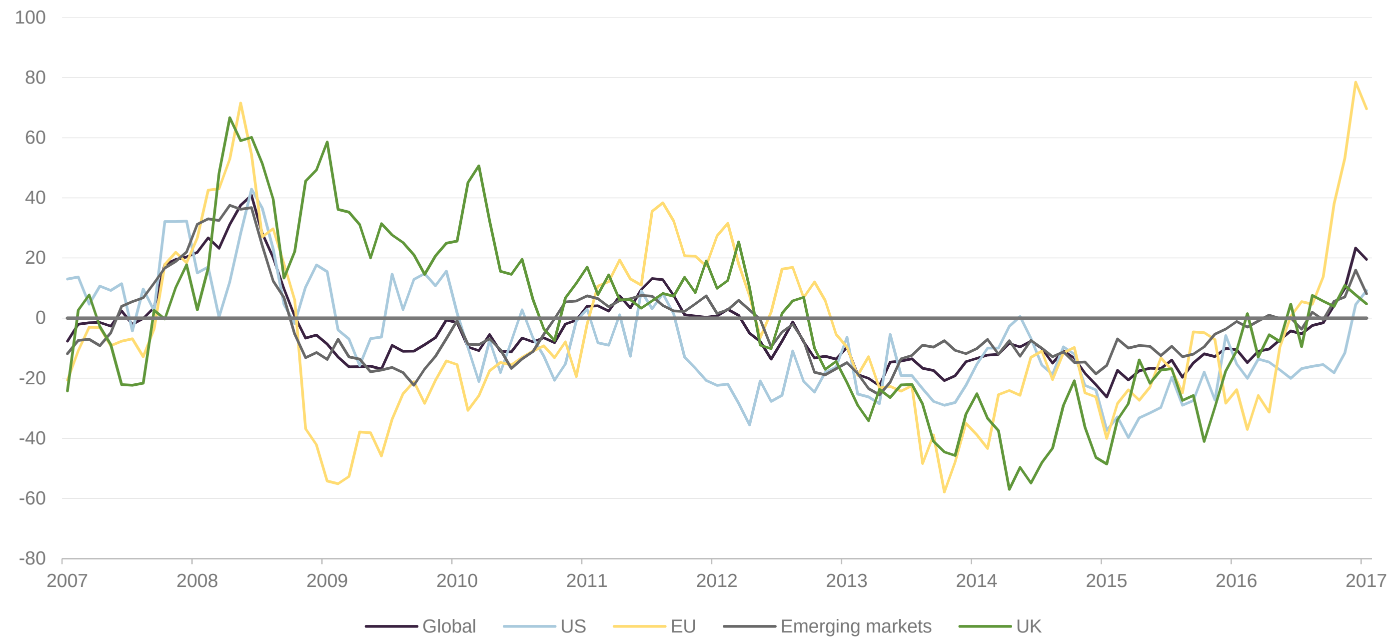
Source: Bloomberg, Marten & Co

As Figure 1 shows, US yields appear to be on a rising trend, decoupling from other major bond markets, although still very low in a historical context. How much further they rise may depend on the path of inflation rates from here. Speculative traders are very short US Treasuries implying perhaps that the reflation trade is priced into markets. Base rates have risen in the US but attempts to raise rates in other developed markets have petered out and rates remain at historically low levels.

Long-term persistent low inflation/low growth

Figure 2 charts the Citi inflation surprise indices globally, for the US, EU emerging markets and the UK. The indices are a measure of actual inflation versus analysts' forecasts. A sharp upturn in the EU inflation surprise index in February 2017 contributed to a rise in the global figure but this may also have been influenced by looser monetary policy in China during 2016. It seems as though analysts underestimated the impact of rising energy costs in the EU. However, EU inflation is not particularly high. February's surprise 2.0% figure had eased to 1.5% by the end of March.

Figure 2: Citi inflation surprise indices



Source: Bloomberg, Marten & Co

> We remain in a low-inflation and low-growth environment

Perhaps the most significant view held by the management team is that, regardless of the 'noise' around President Trump, we remain in a persistent low-inflation/low-growth environment and will do so for some time. This view is at odds with that of an increasingly larger number of managers of equity funds who think inflation is becoming more problematic and believe interest-rate rises will be needed to control it.

> Many reasons why growth and inflation are under pressure

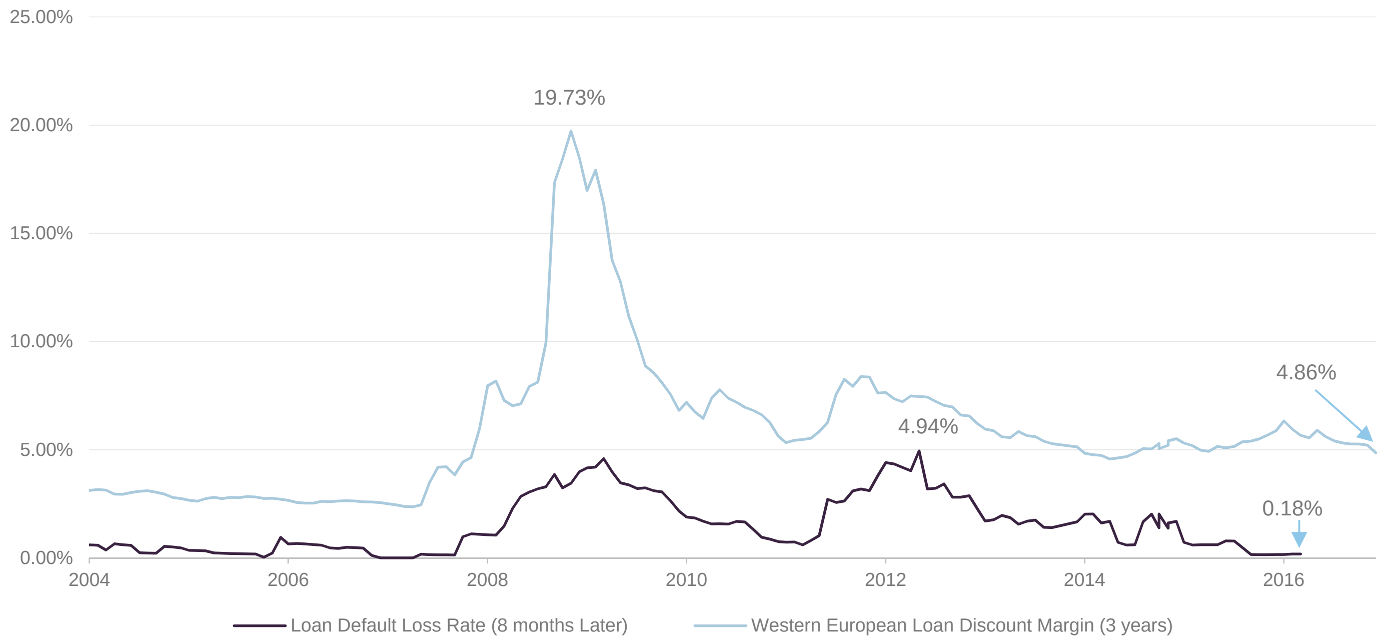
The managers are sceptical about the long-term impact of the cyclical uptick that might come from Trump's attempts to stimulate the US economy. The managers believe there is chronic excess capacity in many sectors and a general lack of pricing power. They point to a range of factors that should continue to act to restrain growth and inflation including demographic shifts in many developed countries that are restricting the working population; technological developments, notably those in robotics and artificial intelligence, that threaten many jobs; high debt levels, especially amongst Millennials, that restrain consumer spending; and a balance-sheet-recession as companies look to pay down debt and hoard cash rather than making investments.

Debt markets

The managers say that there has been a lack of new issuance in the high-yield market. Private equity managers have cash to invest but, in Q1 2017, the aggregate value of private equity buyout deals slowed to $53bn from $89bn in Q4 2016 (according to alternative assets data provider, Prequin). EU and Asian private equity markets were more buoyant than the US.

The managers say US loans look expensive relative to yields on government debt and this may be because the weight of money being directed to this part of the market is not being met by new supply.

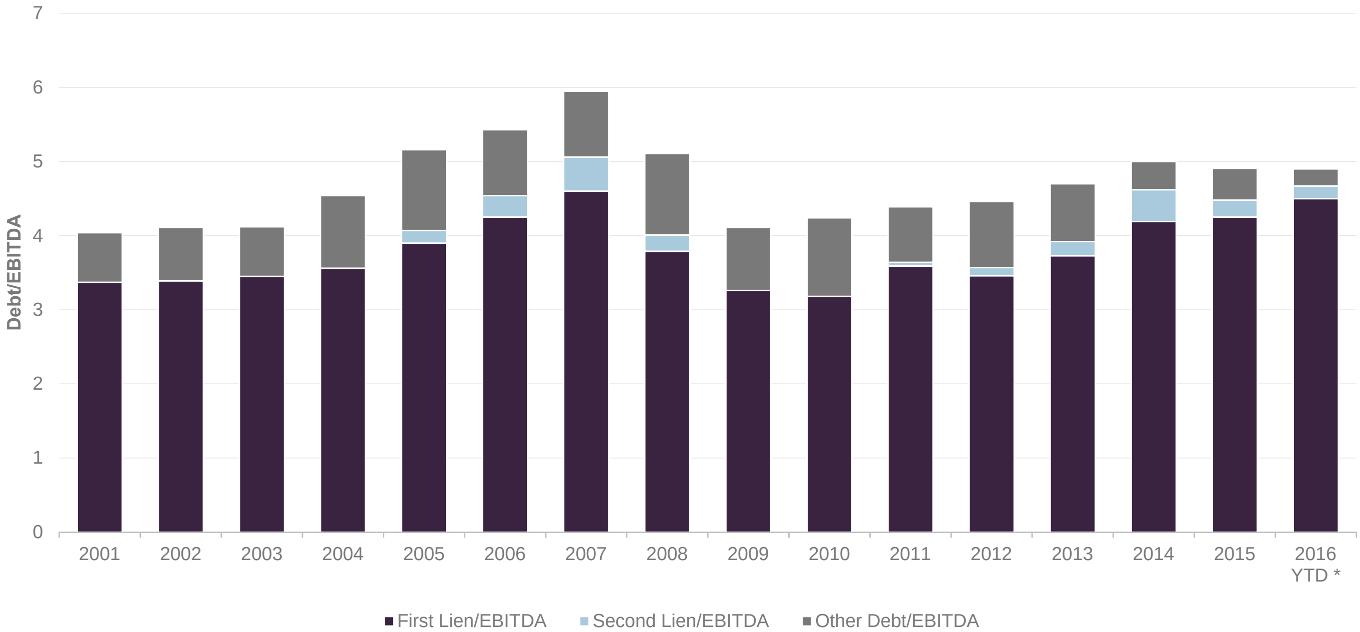
Figure 3: Western European leveraged loan discount margins versus default loss rates



Source: Credit Suisse

Figure 3 shows the relationship between the Western European leveraged loan discount margin and the actual loan default loss rate. To make the two more comparable, the default line has been adjusted by eight months to reflect the outcomes that the loan discount margin was anticipating. There is a healthy gap between the two, suggesting that investors are being well-paid to take on default risk. Current default rates are low – 0.18% at the end of January 2017 according to Credit Suisse, which compares well to a peak of 4.94% in June 2012.

Figure 4: Leverage levels within the European loan market



Source: S&P CIQ LCD, * as at 31 October 2016

There has already been a reasonable amount of leveraged loan issuance so far in 2017. The managers note that a lot of companies need to refinance debt. Pricing has been tightening as demand for loans and CLO issuance have been picking up. In the leveraged loan market, senior leverage is increasing in European loans as is evidenced in Figure 4. This has made the managers more cautious about who they are lending to.

Within the loan portfolio, they are seeing an increasing trend towards cross-border loan issuance. Covenant-lite issuance is well established (around half the portfolio has covenants) and the managers do not think maintenance covenants will return soon.

Investment process

Freedom to invest across the whole spectrum of debt markets

The managers are responsible for the portfolio's asset allocation and have the freedom to invest across the whole spectrum of debt markets. Theoretically, the portfolio will be biased to fixed income at the top of the interest-rate cycle and secured loans towards the bottom of the interest-rate cycle. In practice, rates fell sharply early in the fund's life and have not recovered. This has impacted portfolio construction ever since.

Emphasis on capital preservation

The emphasis of the team is on preserving capital as well as generating attractive income returns. That means focusing on the quality of credit, security and collateral. Chasing yield by investing in poor-quality credits looks attractive in the good times but can be difficult to trade out of when the market turns – sometimes there is no bid. The portfolio is weighted towards defensive businesses that can cope with low economic growth rates. The managers will also look to exploit mispricing opportunities when they arise, switching between junior and senior tranches of debt in the same issuer, for instance. The average holding period is two-to-three years for core holdings.

Proprietary, fundamental credit analysis

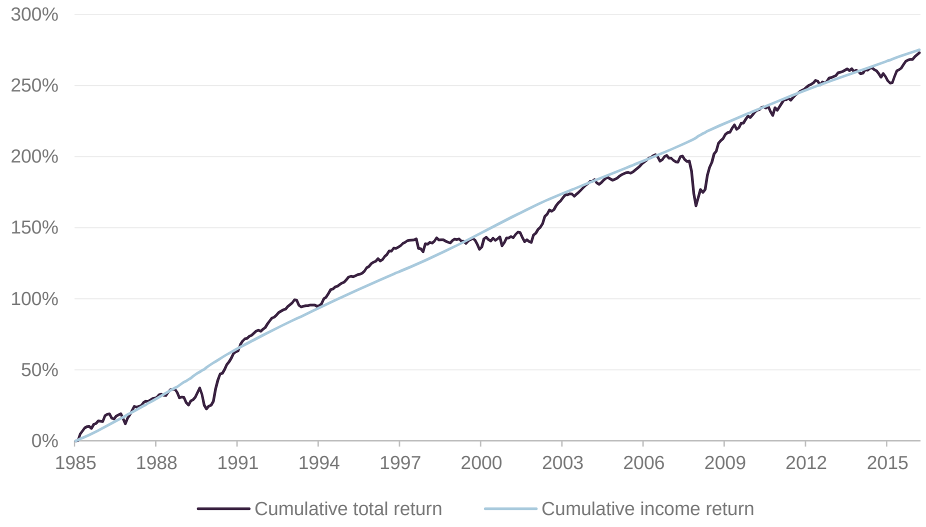
The management team carries out proprietary fundamental credit analysis with the aim of preserving capital by minimising default losses.

The managers prefer large-cap companies with non-cyclical earnings. The issuers they favour have defensive predictable earnings. A good example of this is the funeral services company, SCI, which has built up three years of pre-paid funeral income. Returns available from infrastructure, which ought to fit this criteria are poor, they believe.

Exploit carry where it is available

The managers' focus is on good-quality credit and exploiting opportunities for carry, given the spreads available over HDIV's borrowing costs – very roughly, they can borrow at 1% and invest at 4%. As Figure 5 shows, in most debt portfolios, coupons provide most of the return for investors.

Figure 5: returns on the Credit Suisse high-yield index



Source: Credit Suisse

The US offers much deeper markets but this is not a factor in determining asset allocation. Bond markets need stock pickers - bond ETFs end up with the largest exposure to the biggest borrowers and this is not a recipe for success. Indices play no part in informing portfolio construction.

Risk management

Non-sterling assets are hedged back to sterling using rolling forward foreign currency contracts.

The managers emphasise the importance of a strong sell discipline, saying that avoiding the worst-performing bonds is key to performance.

Towards the end of the cycle in bonds rates are squeezed and covenants eased, debt is issued to fund M&A at the top of the market and balance sheets are stretched thin through buy-backs and special dividends. The managers try to avoid investing with the crowd in these situations. Areas that they consider to be more risky include aircraft leasing; Chinese property; London estate agents; peer-to-peer and SME lending; and acquisitive mining companies. Wherever possible, they like to keep the portfolio invested in 'vanilla', lower risk and liquid debt.

Asset allocation

There were 151 investments in the portfolio at 31 March 2017. Figures 6 and 7 show the breakdown of the portfolio by currency and type of investment.

The managers say that competition for loans is driving down yields to levels where they are less attractive for the portfolio, and that this is constraining the allocation to this area. There were 35 loans from 27 borrowers in the portfolio at 1 March 2017. The average coupon is around 4.5%.

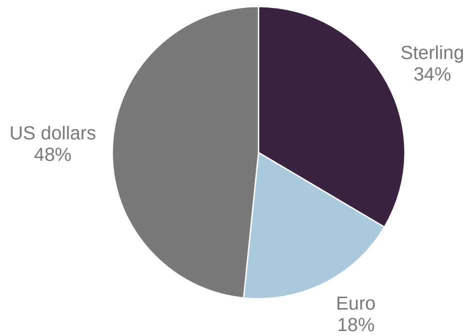
Equity exposure to be kept to a minimum

HDIV has no equity exposure – the last of this was sold in the autumn of 2016. The managers say that, given that the preference will be to distribute income under the interest streaming arrangements, equity income might be unhelpful in the near term and so it is likely that equity exposure will be kept to a minimum for the foreseeable future.

Preference for senior secured, floating-rate loans; US high yield; and large-cap financials

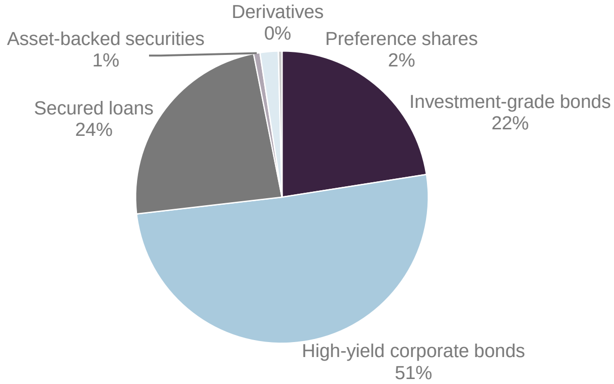
Their preference is for senior secured floating-rate loans (short duration, good credits; US high yield (short/medium duration, low default risk and liquid); and large-cap financials, especially global banks. They are avoiding emerging market credit, EU investment grade (where they think yields are too low) and longer-dated debt, although the latter decision depends on how the reflation trade unfolds. To that end, they want to be nimble and so are favouring more liquid names.

Figure 6: Portfolio distribution by underlying currency at 1 March 2017



Source: Henderson Diversified Income, Marten & Co

Figure 7: Portfolio distribution by type at 31 March 2017



Source: Henderson Diversified Income, Marten & Co

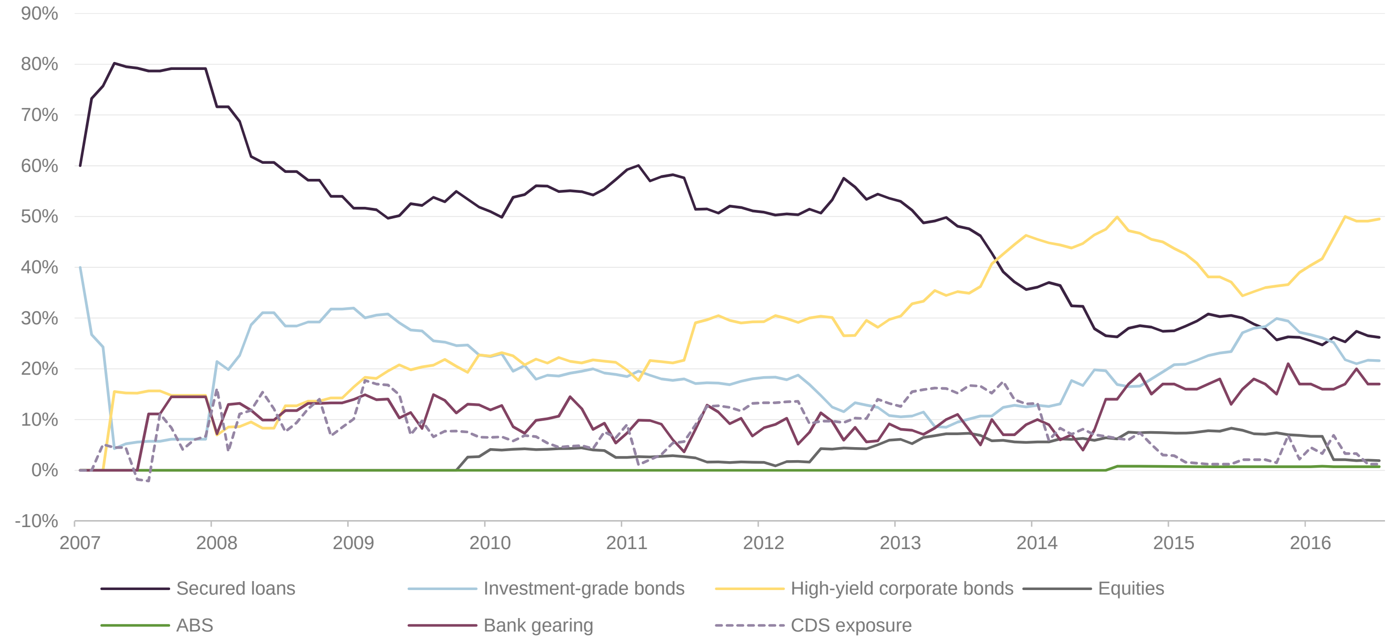
The risk in the portfolio relates primarily to credit risk and there is not much duration or interest-rate sensitivity within the portfolio (the overall duration of the portfolio is about four years). The managers have been working to reduce credit risk and increase interest- rate exposure (to take advantage of the recent rise in yields in the US). They have also been cautious to avoid loans that are callable at par yet trade at premiums.

Looking at the a few sectors in more detail, a few “safe” areas have had challenges. US hospitals, for example, faced rising bad debts in 2015 as patients were caught by high deductibles. The retail sector, faced with online competition, has been a source of worry. HDIV’s exposure to financials is split between banks and insurance companies. Banks have been deleveraging and restructuring their balance sheets. HDIV is invested in Tier One capital and CoCo bonds. The managers feel that European financials are cheap for a reason with exposure to political risk as well as stretched balance sheets.

Dynamic asset allocation

Figure 8 shows how HDIV's asset allocation has changed over time. It clearly shows that the managers have been taking full advantage of the flexibility afforded by the investment approach to vary the asset allocation to suit market conditions. The main themes of recent periods are the shift in exposure from secured loans towards high-yield corporate bonds, reflecting the scarcity of loans at attractive yields, and the elimination of the equity exposure.

Figure 8: HDIV asset allocation over time



Source: Henderson Global Investors, BNP

10 largest exposures to individual issuers

Figure 9: 10 largest exposures to individual issues at 31 March 2017

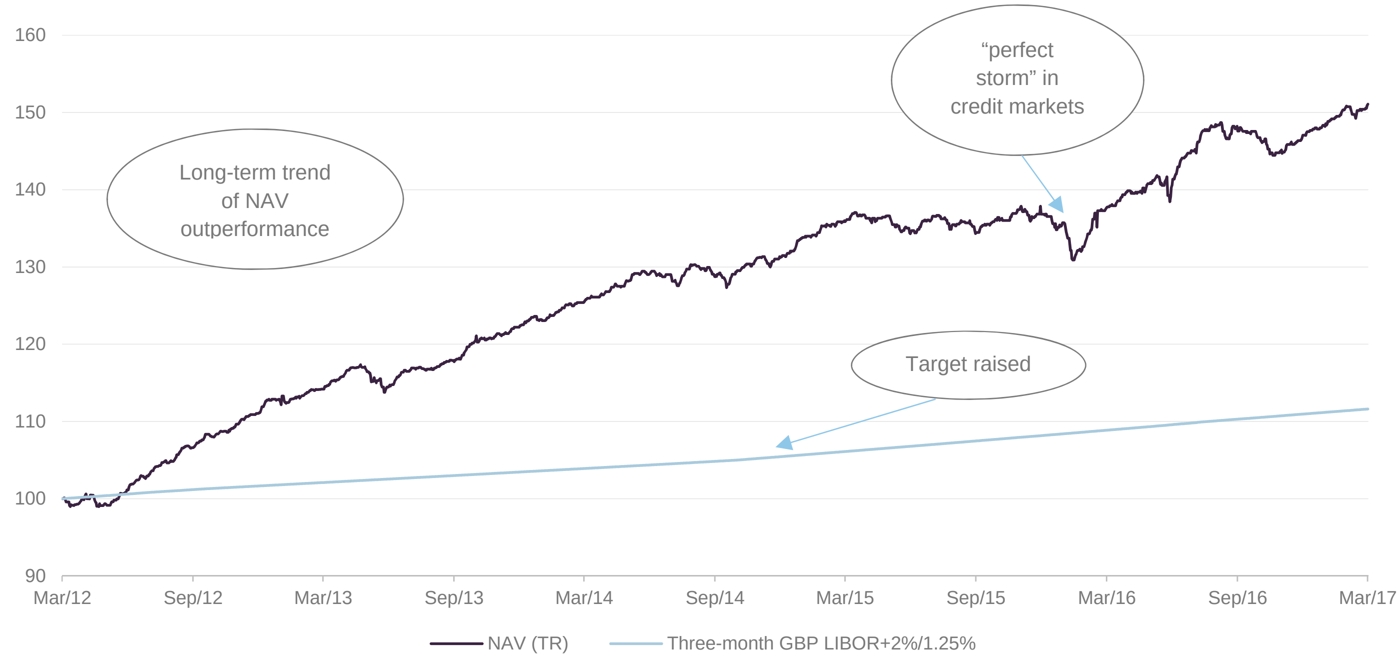
Holding	Industry	(%)
Virgin Media Secured Finance 6.25% 2029	Cable TV & telecommunications	2.1
Nationwide Building Society	Banking	1.9
Travelport Finance term loan	Travel software	1.9
Co-operative Group 6.25% 2026	Food retailing, funerals and insurance	1.8
PGH Capital 6.625% 2025	Life insurance	1.8
Diebold Nixdorf term loan	ATMs	1.7
EVRY term loan	Nordic IT	1.7
Eircom Ireland term loan	Irish telecommunications	1.6
Aramark Services 4.75% 2026	Food service, facilities and uniform services	1.5
Douglas Holdings term loan	European perfumes and cosmetics retailer	1.5
Total		**17.3**

Source: BNP Paribas

The degree of diversification within HDIV's portfolio is illustrated in Figure 9 where the top 10 holdings account for just 17.3% of the fund and these comprise a range of businesses across many different sectors and geographies. Only four of these positions featured in the top 10 holdings as at 31 October 2016 but all but one of these was in the portfolio at the time.

Performance

Figure 10: HDIV NAV total return versus performance objective over five years



Source: Morningstar, Marten & Co

Long-term outperformance

HDIV has beaten its performance objective by a significant margin over the past five years

Figure 10 shows the progression of HDIV's NAV over the five years to the end of March 2017 compared to its performance objective. That performance objective was strengthened in November 2014, moving from LIBOR+1.25% to LIBOR+2% but the fund has beaten it comfortably over this period.

There is one obvious dip in the performance of the fund during this period around the middle of the first quarter of 2016. The managers describe this period as a 'perfect storm' for credit markets as concerns over the pace of Chinese growth, falling commodity prices and worries about possible bank failures in Europe combined to weigh on pricing across most areas that HDIV invests in. This proved to be a short-lived problem but it has depressed returns for the year ended 31 March 2016 as was evidenced in the table on the front page of this note.

Once markets turned, lower-quality credits did especially well – they were underweight however.

HDIV's early performance

The managers aim to preserve shareholders' capital through careful asset allocation but this is hard to achieve in periods of perceived systemic risk. To some extent Q1 2016 would fall into this category but it was the credit crunch early in HDIV's life that really took its toll on the fund. The managers were well aware of the overexuberance in certain parts of the credit market in 2007 and this was a factor behind launching a fund that had the freedom to invest across a range of different fixed income sectors. However, in the event, there was nowhere to hide and the NAV suffered. Investors were undaunted however and the fund has grown significantly over the ensuing years.

Recent performance

US corporate bond spreads tightened in Q1 2017 according to the Bloomberg Barclays US Corporate Bond Index. EU corporate bonds edged ahead but underperformed their US counterparts. High-yield spreads narrowed both in the US and Europe and the managers say that lower-quality credits outperformed – this situation does not suit their portfolio. Nevertheless, HDIV returned 2.7% over Q1 2017.

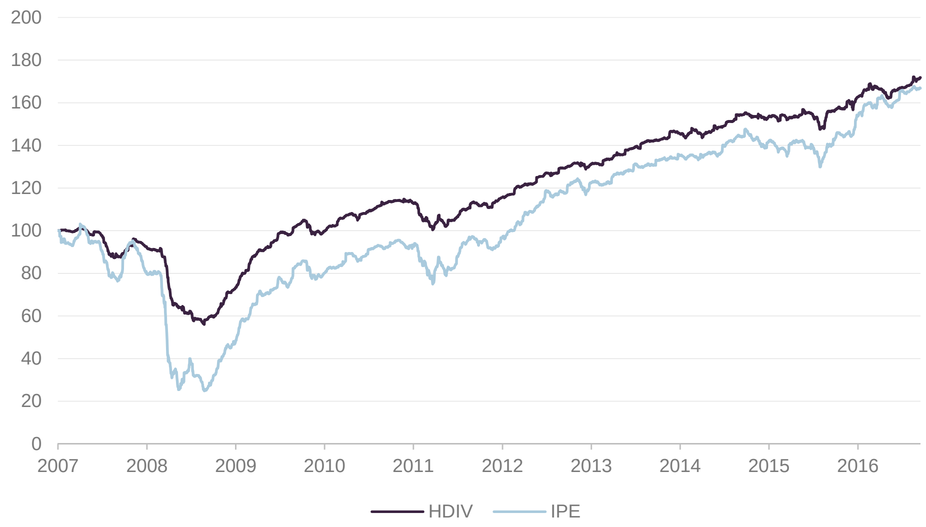
Peer group comparison

HDIV sits in the AIC's Global High Income sector which contains one other trust, Invesco Perpetual Enhanced Income (IPE).

Up-to-date information on HDIV and its immediate peer group is available on the QuotedData website

Information on funds in the debt sector is also available

Figure 11: HDIV versus IPE: NAV total returns since HDIV's launch



Source: Morningstar, Marten & Co

As Figure 11 shows, over its life, HDIV has returned a bit more than IPE in NAV terms. On average, IPE maintains a higher level of leverage than HDIV, which is beneficial in buoyant markets but can magnify losses when prices are falling. In October 2008, HDIV's NAV dropped by 24.0% while IPE's NAV fell by 51.0% and, over the past five years the monthly standard deviation of HDIV's NAV returns is 4.9% whereas the equivalent for IPE is 7.8%.

Figure 12: Peer-group comparison data as at 21 April 2017 (NAV returns and standard deviation as at 31 March 2017)

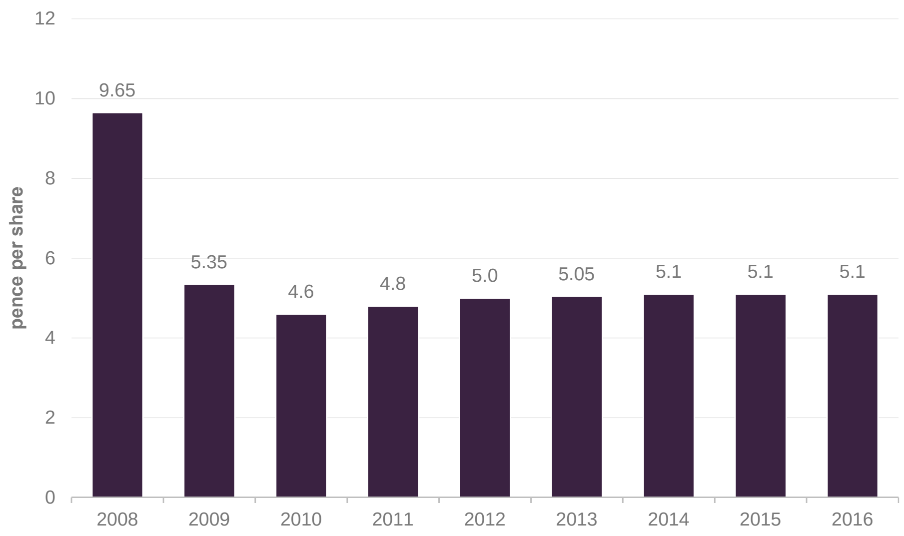
Heading	Premium/ (discount) (%)	Yield (%)	Ongoing charge (%)	Market cap (GBPm)	1-year NAV TR (%)	1-year standard dev. (%0	3-year NAV TR (%)
HDIV	1.2	5.6	0.98	166.7	10.0	4.5	21.0
IPE	3.4	6.5	1.32	112.9	19.1	5.4	27.8
Debt sector median	2.2	6.1	1.48	170.0	13.6	4.6	21.4

Source: Morningstar, Marten & Co

Figure 12 compares HDIV, IPE and the median of the Debt sector. The AIC's Debt sector contains 30 funds with a wide range of mandates. HDIV's flexibility would allow it to resemble any one of these but, in practice, the managers' commitment to maintaining a diversified portfolio limits the usefulness of direct comparisons between individual funds and HDIV. Instead we have used data from the median fund in the sector.

Dividend

Figure 13: HDIV dividend history



Source: Marten & Co

Quarterly dividends paid in March, June, September and December

HDIV pays dividends quarterly in March, June, September and December. The fund's early problems in the wake of the credit crunch impacted income generation; however since 2010 HDIV has maintained or increased its dividend every year. Total dividends for the last three accounting years have been 5.1p. In the accounting year ended 31 October 2016, HDIV's revenue earnings per share was 5.37p. The share premium account is being cancelled to provide a distributable capital reserve. The directors intend to make distributions out of capital for two principal reasons: to provide additional flexibility in relation to dividend payments; and to facilitate share issuance. Where the company issues new shares at a premium to NAV, the new shareholders will pay capital for current year income which may adversely affect the distributable income per share. Accordingly, such a shortfall in distributable income per share may be made up through the distribution of an equivalent amount from this distributable capital reserve. A first interim dividend of 1.25p for the current accounting period was paid on 31 March 2017.

The shift in domicile to the UK allows HDIV to use the interest streaming regime. Distributions under this regime are paid gross of tax. Consequently, dividends paid going forward will be a combination of 'interest payments' and 'dividends'.

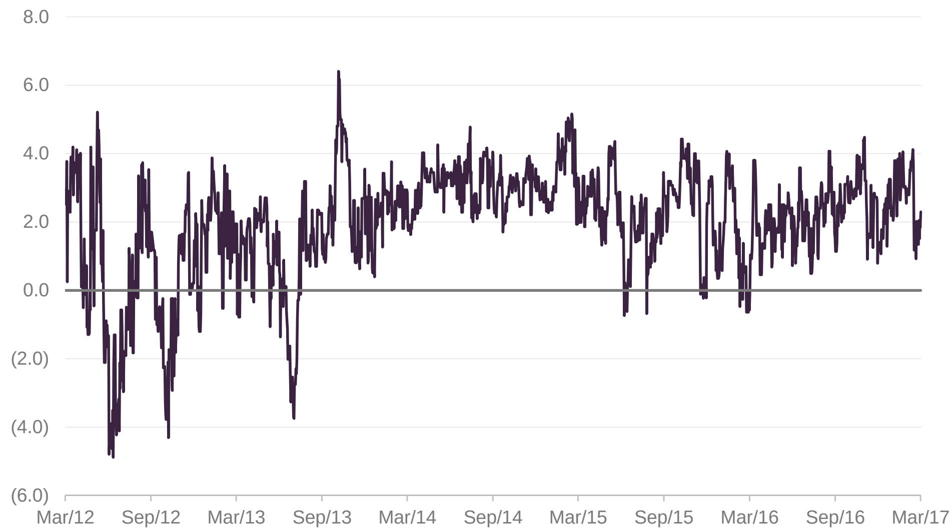
Discount/premium

Shareholders' authority to repurchase up to 14.99% of HDIV's then issued share capital is taken at each AGM. Likewise, shareholders are asked at each AGM to approve the issue of new shares. Shares will only be issued at a premium to NAV.

The board does not operate a fixed discount policy but tries to minimise the absolute level and volatility of the discount through share buybacks and share issuance where appropriate. Shares repurchased may be held in treasury and reissued. All buybacks are done at a discount to asset value and all issuance is done at a premium.

As Figure 14 shows, HDIV has traded at a small premium for most of the past five years, moving within a range of 4.9% discount to 6.4% premium but averaging at a 2% premium.

Figure 14: HDIV premium/(discount) over five years



Source: Morningstar, Marten & Co

Fees and costs

Management and performance fees

Henderson Investment Funds Limited is paid a base management fee of 0.6% of net assets per annum (calculated quarterly in arrears). Its contract can be terminated with six months' notice. There is a performance fee of 15% of returns in excess of the return on three-month sterling LIBOR plus 2% which is usually calculated annually but, as the fund has just changed its year end, the first performance measurement period will be the 18 months to 30 April 2018. There is a cap on total fees in each accounting year of 1.2%.

Secretarial and administrative services

Administration and company secretarial services have been supplied by BNP Paribas Securities Services in Jersey. The cost of these amounted to £113,000 in the 2016 accounting year. The only other significant expense in that period was directors' fees which amounted to £140,000. Post the shift in domicile, the manager has taken on responsibility for administrative functions at no additional charge and delegated these to BNP Paribas Securities Services (London), which will also act as the depositary. Henderson Secretarial Services Limited has taken on the company secretarial function.

Allocation of fees and other costs

Base management charges and performance fees will be charged 50% against revenue and 50% to capital. (in the Jersey company 100% of performance fees were set against capital returns).

The ongoing charges ratio for the year ended 31 October 2016 was 0.98%, an improvement on the ratio for the year ended 31 October 2015 which was 1.1%. The directors believe that the shift in domicile and associated changes will reduce annual costs from c£620,000 to c£470,000.

The on-off costs associated with the redomicile are c£570,000. These have been charged to capital.

Capital structure and life

HDIV has 179,568,240 shares in issue and no other classes of security. Reflecting strong demand for the strategy, 11.5m shares were issued over the year ending 31 October 2016 and a further 3.7m shares have been issued since. Shareholders have just approved the issue of up to a further 100m shares under a share issuance programme that is in force until 31 March 2018. Shares issued under this scheme would be issued at a premium to NAV and all associated costs would be borne by incoming investors.

HDIV has a borrowing facility for £45.5m provided by Scotiabank Europe. Derivatives may be used to provide gearing (as described on page 4). Total gearing (synthetic and financial) is capped at 40% of net assets. On 1 March 2017 HDIV had drawn down £26.5m under its debt facility at a rate of LIBOR/EURIBOR (depending on the currency of the loans) plus 0.925%.

HDIV's year end is now 30 April (previously 31 October) and the first AGM of the new UK- domiciled company will be held in August 2018.

The only significant shareholder is Brewin Dolphin which held 10.1% of HDIV's shares on behalf of its clients at 31 March 2017.

HDIV does not have a fixed life. Its accounting year end was 31 October but has changed to 30 April and it will probably hold its AGMs in July.

Board

HDIV's board has been refreshed to coincide with the change of domicile. Helen Green stepped down on 28 February 2017; Paul Manduca and Nigel Parker retired at the 2017 AGM on 26 April.

The new board consists of five non-executive directors, all of which are independent of the manager. Figure 15 shows how much the directors are being paid and their shareholdings.

Figure 15: The new board

Director	Position	Appointed	Length of service (years)	Annual fee (GBP)	Shareholding
Angus Macpherson	Chairman	18/01/16	1	37,500	100,000
Ian Wright	Chairman of the Audit Committee	23/11/15	1	27,500	-
Roderick Davidson	Director	26/04/17	n/a	24,000	-
Denise Hadgill	Director	26/04/17	n/a	24,000	-
Stewart Wood	Director	26/04/17	n/a	24,000	-

Source: Marten & Co

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