



Launch of New Equity Income Investment Trust and Gervais Williams assumes role as MD at MAM Funds plc

London, 3rd March 2011 - MAM Funds plc announces today the launch of a new equity income investment trust to be floated on the London Stock Exchange (LSE)¹ in April. Known as The Diverse Income Trust plc (the “Company”), this new equity income fund will seek admission to the Official List and to trading on the London Stock Exchange’s main market for listed securities (“Admission”) in conjunction with a placing and offer for subscription of redeemable shares of fifty pence each (“Shares”) to raise up to £50 million.

This IPO is an important step in the next stage of MAM Funds plc’s development. This week saw the completion of all elements of the transaction announced on 15th December, 2010, aimed at reinvigorating the strengths within the Group. The first part involved the raising of £20m of new equity to repay all debt in the company, since this had been constraining the ability of the business to invest for growth. Following the completion of the fundraising on 14th February 2011, MAM Funds plc now has a strong balance sheet with a net cash position, on which it can build in future.

The second part involved the strengthening of the management of the company with the appointment of Ian Dighe as Executive Chairman, Gervais Williams as Managing Director, and Graham Hooper as Distribution Director. This has now formally completed, with Gervais Williams joining as Managing Director. The third part involved growing the funds under management, both by highlighting the current success already in the Group, and also by supplementing this with new fund launches. This formally begins today with the announcement of the launch of The Diverse Income Trust plc.

Gervais Williams will manage The Diverse Income Trust plc. Gervais was the former Head of Smaller Companies at Gartmore and responsible for a number of investment trust clients including Gartmore Growth Opportunities plc, which he ran from March 1993, Gartmore Irish Growth Fund plc, which he ran from its inception in 1995, and Gartmore Fledgling Trust plc, which he ran jointly from 2001. The funds have picked up a number of awards for delivering premium returns for their shareholders over the period. In addition, Gervais Williams was awarded Investor of the Year twice in a row at the Grant Thornton Quoted Companies Award Dinner in January 2009 and 2010.

Gervais Williams, MD at MAM Funds plc, commented:

“Perhaps surprising to most investors, just 6 FTSE stocks generated almost 50% of the FTSE All Share Index dividend in Q4 2010, creating high stock specific risk as highlighted by the dividend cuts by BP and the leading UK retail banks.

“The Diverse Income Trust plc will be an All Cap Fund. It will be able to select the anticipated best income generators from a wide universe of shares in the FTSE 100, FT Mid Cap stocks and Small and

¹ Subject to approval by the UK Listing Authority

Micro Cap sectors. The prospects for income growth within the small and microcap stocks, in particular, look attractive, since many are not distributing at present.

“This new fund will have a diverse portfolio of investments, the intention being for each to represent between 1 to 1.5% of the total portfolio, so it will be truly diversified, with low stock specific risk. Some micro-sectors are expanding in spite of a flat UK economy, and the new fund is expected to have exposure to those.”

Fund highlights:

- Issue Price: 50 pence per Share
Target Fundraising: £50m
Admission expected: April 2011
Initial Company NAV per share: 48.75 pence
- The Company will be an income investment trust, which will target an initial annualised dividend yield of 4 per cent with a quarterly dividend
- The Company will invest primarily in quoted UK companies with a long term bias towards small and mid caps
- The management fee will be payable monthly in arrears and will be calculated daily at the rate of 1 per cent per annum of the Company’s market capitalisation on the relevant day, with no performance fee attached
- Annual redemption facility
- The Company will have an unlimited life
- Cenkos Securities is sponsor and placing agent

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