

# Quarterly factsheet 31 August 2024

Develop North PLC (DVNO) is an investment company listed on the LSE Main Market. It targets a 4.0p annual dividend and 5% NAV total return, through a diversified portfolio of fixed rate loans:

- Secured over land and/or property in the UK, primarily regional (i.e. loans to property developers)
- Targeted towards both residential and commercial property developments

## Review of the Quarter to 31 August 2024

The third quarter of the financial year has seen the base rate reduce to 4.75% at the time of writing (November 2024) with further cuts expected in 2025, albeit at a slower rate than previously forecasted. Following the recent budget, the Office for Budget Responsibility (OBR) outlined its forecast for house prices, inflation, and interest rates. House prices are expected to rise by 15% over the forecasted period from 2024-2030. They expect CPI inflation to average 2.3% per year over that same period. The Base Rate is predicted to fall to 3.5% in the final year of the forecast.

Build cost inflation and labour in the construction sector have broadly returned to normal levels with BICS all-in tender price index, which measures the trend of contractors pricing levels in accepted tenders, showing annual growth of 2.1% in the third quarter of this year, down from the 2.3% reported at the end of the second quarter.

Within DVNO, this quarter year saw deployment to one new facility and to two of the existing facilities. There was one exit in the quarter, bringing the total number of exits to twenty since inception. The investment adviser reports a healthy pipeline with two transactions completing post quarter end along with three further exits.

<b>4.9% NAV total return for the first three quarters of this financial year</b>	Attributed as follows (as a % of 30 Nov 2023 NAV): <ul style="list-style-type: none"> <li>• 3.8% increase in dividends paid</li> <li>• 1.1% increase in NAV per share</li> </ul>
<b>1.0p dividends declared</b>	Interim dividends of 1.0p for the quarter to 31 May 2024 were declared July 2024.

## Key facts

### Ticker

DVNO

### Launched

24 January 2017

### Domicile

UK

### Listing

LSE Main Market

### Ordinary shares

24,978,201

### Market cap

£19.48m

### Share price

78p

### NAV per share (cum income)

79.79p

### Price discount to NAV

2.24%

### Forecast Yield

5.13%

### Dividends

1.0p/quarter

### Dividend cover

1.22

### Gearing

0% (max. 30%)

### Portfolio Manager

Tier One Capital Ltd

### Annual Management Fee (% of net assets)

0.25% on assets from £0m to £100m

0.50% on assets above £100m

### Financial year end

30 November

### Dividend payment dates

Jan, Apr, Jul, Oct

### OCF

2.8%

# Portfolio at a glance

17

Loans

£19.9m

Portfolio value

£1.2m

Average loan size

9.3%

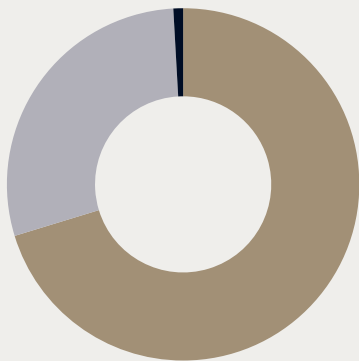
Average coupon

100%

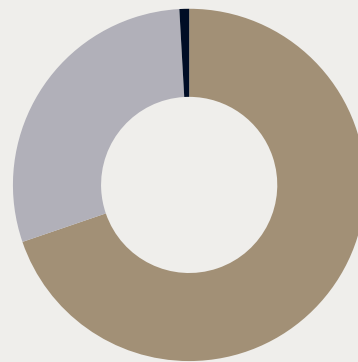
Secured

72%

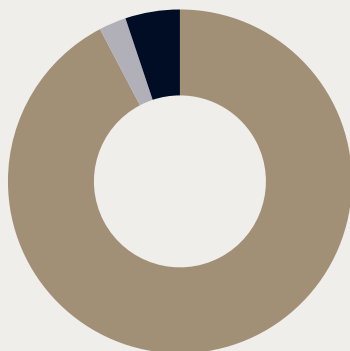
LTV



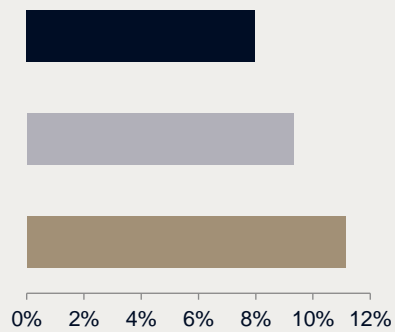
■ Residential  
■ Commercial  
■ Cash



■ North East  
■ Scotland  
■ Cash



■ Senior & Profit  
■ Senior  
■ Mezzanine



■ Senior  
■ Senior & Profit  
■ Mezzanine

## Investment risks

**The value of investments and any income will fluctuate, and investors may not get back the full amount invested. When making an investment into an investment trust you are buying shares in a company that is listed on a stock exchange.**

The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares. The investment trust may use borrowings to invest in the market. The use of borrowings may enhance total return when the investment trust's assets are rising, but it will have the opposite effect when asset values fall. The use of borrowings may increase the volatility of the share price and the net asset value per share. In certain circumstances the investment trust may be required to repay borrowings, and this could adversely affect income and capital returns.

## Important information

**This document is marketing material and is not intended as a recommendation to invest in any particular asset class, security or strategy.**

Regulatory requirements that require impartiality of investment/investment strategy are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only, it should not be relied upon as a recommendation to buy or sell securities.

Where individuals or the business have expressed opinions, they are based on current on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. For more information on our products, please refer to the relevant Key Information Document (KID), Alternative Investment Fund Managers Directive document (AIFMD), and the latest Annual or Half Yearly Financial Reports. This information can be found at [www.developnorth.co.uk](http://www.developnorth.co.uk).

## Further information

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