QuotedData

Monthly roundup | Investment companies

June 2017

Winners and losers in May

Best performing funds in price terms in May:

	(%)
British & American	+32.1
Prospect Japan	+25.6
Alternative Liquidity Fund	+14.5
Edinburgh Worldwide	+12.4
Oakley Capital Investments	+12.0
EPE Special Opportunities	+11.6
Weiss Korea Opportunity	+10.2
Dunedin Smaller Companies	+10.2
TR European Growth	+9.9
BlackRock Smaller Companies	+9.7

Source: Morningstar, Marten & Co

Worst performing funds in price terms in May:

	(%)
Damille Investments II	-29.2
Dolphin Capital	-19.9
Ashmore Global Opportunities USD	-9.8
EF Realisation	-8.7
Jupiter US Smaller Companies	-7.3
Blue Planet	-7.0
Duke Royalty	-6.9
Industrial Multi Property	-6.5
Ranger Direct Lending	-5.5
Baker Steel Resources	-4.8

Source Morningstar, Marten & Co

Best performing funds in NAV terms in May:

	(%)
Weiss Korea Opportunity	+12.4
Fidelity Japanese Values	+8.8
Atlantic Japan Growth	+8.8
Baillie Gifford Shin Nippon	+7.8
Allianz Technology	+7.8
Ecofin Global Utilities & Infrastructure	+7.6
Rights & Issues	+7.5
JPMorgan Japanese	+7.5
JPMorgan Income & Capital Income	+7.3
Manchester & London	+7.0

Source: Morningstar, Marten & Co

Worst performing funds in NAV terms in May:

	(%)
EF Realisation	-7.3
Crystal Amber	-6.1
International Biotechnology	-4.4
JPMorgan Russian Securities	-3.8
BlackRock Latin American	-3.4
Jupiter US Smaller Companies	-3.0
Kennedy Wilson European Real Estate	-2.8
AXA Property	-2.8
BlackRock Commodities Income	-2.8
Baker Steel Resources	-2.6

Source Morningstar, Marten & Co

Looking first at the NAV changes, Japan was one of the best places to be invested in May. A number of Japanese funds show up in the table and most of these are focused on Japanese smaller companies. European small cap funds also did well (although these didn't quite make the table) and this helped **Edinburgh Worldwide**. **Weiss Korea** takes the prize however, investors were pleased by the result of the Korean presidential election. **British & American**'s share price continues to gyrate. The bid for **Prospect Japan** was firmed up. **Alternative Liquidity** published a positive update (although this related to February so it's a bit out of date). **Oakley Capital** announced a flurry of deals.

Damille was hit by its holding in Sistema which is being sued by Rosneft. **Dolphin Capital** released results which showed a big drop in NAV mainly related to its Aristo subsidiary. **Ashmore Global** shareholders may be frustrated at the lack of progress on disposals from its portfolio. **EF Realisation** suffered as Lone Star Resources share price dropped. **Crystal Amber**'s Hurricane Energy investment was down, this could be profit taking and/or news of a warrant issue. **Ranger**'s share price continued to fall after last month's news on potential bad debts. Russia may be out of favour as the case builds against President Trump. Brazil, a major constituent of **BlackRock Latin**'s portfolio, was hit by a new presidential corruption scandal.

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Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

British American's premium is looking excessive again. **Prospect Japan**'s bid was formalised. **Syncona**, which is transitioning to the biotech sector, had some good news on one of its drugs, Axumin. **Alpha Real** got planning permission for its Monk Bridge site in Leeds and edged closer to receiving an award in an Indian court case.

Cheaper relative to NAV (notable changes)

Damille has problems with its investment in Sistema which is being sued by Rosneft. **Manchester & London**'s NAV has been rising but the share price is not keeping pace. **Duke Royalty**'s premium moderated a little but there was no new news from the company. **Ashmore Global**'s shares may be falling as shareholders get more frustrated with the lack of progress on portfolio disposals. **Taliesin Property** moved to a more reasonable premium.

	% discount (-ve) or premium (+ve)	
	30 Apr (%)	31 May (%)
British & American	+59.0	+90.5
Prospect Japan	-14.3	+9.5
Syncona	+9.0	+17.4
Alpha Real	-26.4	-18.1
Oakley Capital Investments	-32.4	-24.3

Source: Morningstar, Marten & Co

	% discount (-ve) or premium (+ve)	
	30 Apr (%)	31 May (%)
Damille Investments II	-2.2	-33.1
Manchester & London	-8.4	-17.2
Duke Royalty	+20.2	+11.9
Ashmore Global Opportunities USD	-28.2	-35.3
Taliesin Property	+14.0	+7.8

Source Morningstar, Marten & Co

Baillie Gifford has been managing investments since 1909. Our success has been built on finding good investment opportunities for clients through extensive independent research. Our fundamental analysis and judgement over the years have helped us to become one of the UK's largest independent investment management groups with over £145 billion of funds under management and advice as at 31 December 2016*

BAILLIE GIFFORD

Baillie Gifford is one of the largest investment trust managers in the UK with a range of seven trusts. We also have an extensive range of OEIC sub-funds and manage investments globally for pension funds, institutions and charities.

*Source Baillie Gifford & Co As with all stock market investments, your capital is at risk

ADVERTISMENT

Money raised and returned in May

Money raised in May

	£m
Tritax Big Box REIT	350.0
International Public Partnerships	330.0
PRS REIT	250.0
Sequoia Economic Infrastructure	160.0
Jupiter Emerging & Frontier Income	90.0

Source: Morningstar, Marten & Co

Money returned in May

	£m
JPEL Private Equity	USD 90m
JPMorgan American	20.0
Alliance Trust	19.4
Mithras	9.2
CVC Credit Partners European	7.2

Source Morningstar, Marten & Co

In total, about £1.65bn came into the investment companies sector in May. Three new funds were launched, **Downing Strategic Micro-Cap**, which invests in a concentrated portfolio of UK micro cap companies; **Jupiter Emerging & Frontier Income**, which invests globally in emerging and frontier market countries with the aim of producing capital growth and income; and **PRS REIT**, which is investing in newly-built homes let on Assured Shorthold

Tenancies. The government's Homes & Communities Agency put up 10% of the money for the issue. However, the two largest fund raises were carried out by **Tritax Big Box REIT** and **International Public Partnerships** with **Sequoia Economic Infrastructure** coming a creditable fourth in the table. Other funds raising at least £5m during May included **Scottish Mortgage** (over £50m worth of stock), **Hadrian's Wall Secured Investments**, **Henderson International Income**, **Finsbury Growth & Income**, **Baillie Gifford Japan**, **Schroder Oriental Income**, **BB Healthcare**, **RM Secured Direct Lending**, **Personal Assets** and **MedicX**.

About £188m went out of the sector during May. We lost **Public Service Properties** (a small cash shell that failed to find an appropriate transaction) and **Nimrod Sea Assets** (a leasing fund invested in oil service vessels that ran into trouble when the oil price fell). **JPEL Private Equity** completed a $90m mandatory redemption of shares. Shareholders continue to desert both **JPMorgan American** and **Alliance Trust** in large volumes. **Mithras** held its sixth tender offer and **CVC Credit Partners European Opportunity** also held a tender. Two other funds repurchased at least £5m worth of stock, **Mercantile** and **Weiss Korea Opportunity**.

May's major news stories – from our website

Portfolio Developments

- **Oakley Capital** bought Plesk, Techinsights and Schuelerhilfe
- **Damile II** was hit by its holding in Sistema
- **Real Estate Credit** made a new investment
- I**nternational Public Partnerships** increased its stake in the Wolverhampton schools project
- **Electra** sold Techinsights and Pine Unit Trust
- **Phaunos Timber** thinks it might be a beneficiary of tariffs on Canadian lumber
- **Marwyn Value Investors** said MVI II LP raised £41m
- **John Laing Environmental** bought a windfarm
- **HICL Infrastructure** bought Affinity Water
- **Apax Global Alpha** made a commitment to the Apax Digital Fund
- One of **Syncona**'s holdings got approval for a drug
- **UK Mortgages** securitised a loan portfolio
- **Witan** dropped two managers from its line-up

Corporate News

- **Invesco Asia** plans a 15% tender
- **Geiger Counter** plans a 1x2 subscription share issue
- **Golden Prospect Precious Metals** plans a 1x2 subscription share issue
- **Polar Capital Global Healthcare** announced plans for the future
- **Infrastructure India** is in refinancing discussions
- **Northern Investors** proposed a return of capital
- **Aberforth Geared Income** announced reconstruction proposals
- **River & Mercantile Micro Cap** will return cash to shareholders
- **JPMorgan Global Convertible** set a maximum 2% discount target
- **Dragon Ukrainian** was bid for by its manager

Property News

- **Custodian REIT** bought a retail warehouse in Gloucester, a car dealership in York, three units in a Plymouth retail park
- **Sirius Real Estate** sold and leased back a business park in Munich
- **Impact Healthcare REIT** bought its seed portfolio
- **PRS REIT** got government backing for its launch
- **LXi** funded a new discount retail park in Bradford and a Travelodge in Swindon
- **Civitas Social Housing** made a number of acquisitions
- **AEW UK REIT** bought industrial assets in Basildon and Runcorn
- **Drum Income Plus REIT** bought a retail park in Southport

Managers & Fees

- **Perpetual Income & Growth** changed its management fee
- David Hardy is moving from co-manager of **John Laing Environmental Assets** to manager of John Laing Infrastructure
- **P2P Global** said its manager would merge with Pollen Street Capital
- **VPC Speciality Lending** introduced a hurdle on its performance fee
- **SQN Secured Income** appointed a new managing director
- **Lowland** cut its management fee
- **Genesis Emerging** cut its fee

Property News (continued)

- **Alpha Real Trust** won an appeal case and got planning for its site in Monk Bridge, Leeds
- **Land Securities** acquired three outlet centres
- **Tritax Big Box REIT** bought a Unilever distribution centre
- **Raven Russia** will build distribution centres for Russian Co-Op
- **Schroder European Real Estate** bought a shopping centre in Seville
- **MedicX** made an investment in Ireland
- **Hammerson** sold two retail parks
- **LondonMetric Property** bought three urban logistics warehouses

SCOTTISH MORTGAGE INVESTMENT TRUST

PICKING STOCKS WITH PRECISION.

Scottish Mortgage Investment Trust plays a 'long game' with a focused list of around 80 stocks. Our aim is to meticulously seek out truly innovative organisations (the obvious and the unexpected) and stick with them over the long-term. We believe this strategy gives us a strong competitive advantage in identifying companies with real potential for significant sales growth – often as a result of their intelligent deployment of transformational technology.

But don't just take our word for it. Over the last five years **Scottish Mortgage**, managed by Baillie Gifford, has delivered a total return of 191.3%* compared to 103.4%* for the index. And **Scottish Mortgage** is low-cost with an ongoing charges figure of just 0.45%†

Standardised past performance to 31 December each year*:

	2012	2013	2014	2015	2016
Scottish Mortgage	30.1%	39.8%	21.4%	13.3%	16.5%
FTSE All-World Index	12.0%	21.0%	11.3%	4.0%	29.6%

Past performance is not a guide to future returns.

Please remember that changing stock market conditions and currency exchange rates will affect the value of your investment in the fund and any income from it. You may not get back the amount invested.

For a free-thinking investment approach call **0800 917 2112** or visit **www.scottishmortgageit.com**

BAILLIE GIFFORD
Long-term investment partners

*Source: Morningstar, share price, total return as at 31.12.16. †Ongoing charges as at 31.03.16. Your call may be recorded for training or monitoring purposes. Scottish Mortgage Investment Trust PLC is available through the Baillie Gifford Investment Trust Share Plan and the Investment Trust ISA, which are managed by Baillie Gifford Savings Management Limited (BGSM). BGSM is an affiliate of Baillie Gifford & Co Limited, which is the manager and secretary of Scottish Mortgage Investment Trust PLC.

Income

3i Infrastructure announced a target dividend for the financial year ended 31 March 2018 of 7.85p. **Toro** said that its dividend target has been increased to at least EUR 0.08 per ordinary share per annum, compared to the initial target of EUR 0.05 (annualised) stated in the prospectus published in connection with the company's May 2015 IPO. **Scottish Mortgage** said that, "*absent a significant (and unexpected) uplift in income from the portfolio, next year the board will be obliged either to cut the dividend, or to make use of its power to continue to pay a comparable dividend, supplemented from capital profits as well as the remainder of the revenue reserve. In view of the explicit dividend growth component of the company's investment objective, the board wishes to make clear to shareholders that it would be willing to make such distributions from capital profits, in order to sustain or modestly increase our dividend, provided that the board is of the view that the total returns being earned by the company over the long run justify this*."

NewRiver REIT said it would pay a first quarter dividend of 5.25p (an increase of 5%). British Land is proposing a full year dividend for the financial year ended March 2018 of 30.08p, up 3.0%. **CVC Credit Partners European Opportunities** said it has revised the company's dividend target from the current level of 5 pence / 5 Euro-cents per annum, to target a dividend of 5.5 pence / 5.5 Euro-cents per share per annum, equivalent to a yield of approximately 5 per cent. on the current NAV. **HICL Infrastructure** said its target dividend per share would be 7.85p for the year to March 2018 - a year-on-year increase of 2.6% and 8.05p for the year to March 2019, reflecting Board's confidence in near-term forecast cash flow performance.

Investment Companies announcing their full year dividends in May

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
BlackRock Smaller Companies	28/02/17	21.0	+20.0	22.47	1.05x
3i Infrastructure	31/03/17	7.55	+4.0	14.9[a]	1.97x
Scottish Mortgage	31/03/17	3.0	+1.4	1.07	0.36x[b]
NewRiver REIT	31/03/17	20+3[c]	+8.0	23.6	1.18x
British Land	31/03/17	29.2	+3.0	34.1	1.17x
Perpetual Income & Growth	31/03/17	13.35+0.7[c]	+4.3	14.65	1.10x
Land Securities	31/03/17	38.55	+10.1	48.3	1.25x
McKay Securities	31/03/17	9.0	+2.3	9.2	1.02x
Great Portland Estates	31/03/17	10.1	+9.8	17.3	1.71x
HICL Infrastructure	31/03/17	7.65	+2.7	12.4[a]	1.62x
TR Property	31/03/17	10.5	+25.7	11.38	1.08x
Caledonia	31/03/17	54.8+100.0[c]	+4.2[d]	55.0	1.00x
Edinburgh	31/03/17	25.35	+4.1	27.9	1.10x
LondonMetric Property	31/03/17	7.5	+3.4%	8.2	1.09x
Shires Income	31/03/17	12.75	+4.1	13.08	1.03x
Aberdeen Japan	31/03/17	6.0	+42.9	7.25	1.21x
Big Yellow	31/03/17	27.6	+10.8	34.5	1.25x

Source: Marten & Co, * unless otherwise stated

a) The company does not publish separate revenue and capital figures.
b) Following this dividend the revenue reserve will fall to 0.5p.
c) Special dividend: change and cover exclude the special dividend
d) 50th consecutive year of dividend increases

Visit www.quoteddata.com for more on these and other stories plus in-depth research on some funds, the chance to compare similar funds and basic information, key documents and regulatory news announcements on every investment company quoted in London

Research


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Initiation | Investment companies

4 May 2017

Henderson Diversified Income Trust plc

Shift to onshore

Share price and discount

Performance over five years

On 4 May, we published a note on Henderson Diversified Income, ***Shift to onshore***, which described how that fund's move from being a Jersey domiciled company with a Luxembourg subsidiary to being a UK investment trust will affect it.


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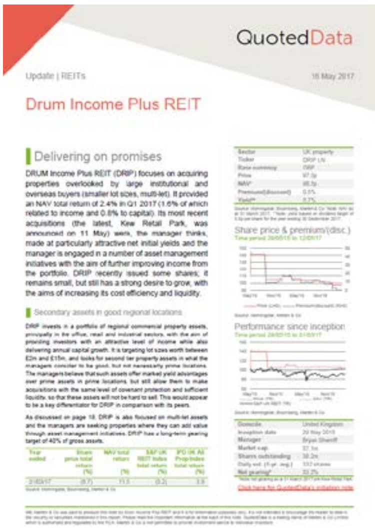
Initiation | Investment companies

15 May 2017

Polar Capital Global Healthcare Growth and Income Trust

Extended life, new objective

On 15 May, we published a note on Polar Capital Global Healthcare Growth and Income , ***Extended life, new objective***, which described how that fund is amending its investment policy to broaden the range of investments it considers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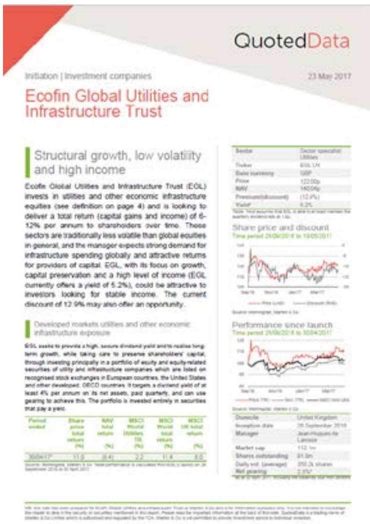
Update | REITs

16 May 2017

Drum Income Plus REIT

Delivering on promises

16 May saw the publication of an update note on Drum Income Plus REIT, ***Delivering on promises***, that described how that fund's portfolio has been growing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Initiation | Investment companies

23 May 2017

Ecofin Global Utilities and Infrastructure Trust

Structural growth, low volatility and high income

On 23 May, we published an initiation note on Ecofin Global Utilities and Infrastructure, ***Structural growth, low volatility and high income***. We talked about the way in which the manager is looking to exploit the potential offered by global infrastructure spending


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Initiation | Investment companies

31 May 2017

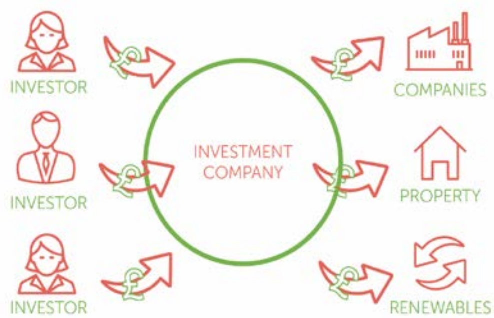
Blue Capital Alternative Income Fund Limited

Uncorrelated yield opportunity

On 31 May, we published an initiation note on Blue Capital Alternative Income (which used to be called Blue Capital Global Reinsurance), ***Uncorrelated yield opportunity***. In this note we explain, in some detail, how the global reinsurance market works and how the fund is seeking to profit from it

On 27 April, we held our first seminar covering Part 1 of our Guide to Quoted Investment Companies. The **next seminar** will be held on 13 July at 2pm. This will cover the first half of Part 2 of the guide, topics such as:

How is your money managed?, Investment company structures, The role of the board and shareholder rights, Net Asset Values (NAVs) and What is a discount?



The QuotedData guide to investment companies aims to help investors and financial advisers better understand investment companies and help them make better informed investment decisions.

QuotedData

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