

Investment Companies Roundup

December 2014

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Winners and losers in November

The fall in the oil price was good news for countries like Japan and India that are major importers of it. ARC Capital Holdings tops the leader board for the month but, to be honest, we are not sure why – there was no news in the month. British & American's biotech investment was up 60% in the month. Sirius Real Estate raised money to invest in Germany. Baker Steel Resources is also planning a major expansion. It is slightly distasteful but US Traded Life benefited from the deaths of two its policyholders.

The major news in October was the collapse of the oil price which had negative implications for Russian and commodity related funds in particular – examples in these tables include Aurora Russia, Golden Prospect and New City Energy. Cambium Global Timberland announced a big drop in its net asset value. Tensions in Ukraine worsened. Yen weakness hit the valuations of Japan Residential and Prospect Japan.

Best performing funds in price terms in November:

	(%)
ARC Capital Holdings	45.5
Sirius Real Estate	34.0
India Capital Growth	19.0
Aberdeen Japan	18.6
Baker Steel Resources	18.2
Biotech Growth Trust	18.1
Summit Germany	17.4
US Traded Life Interests	15.1
JPMorgan Indian	14.7
New India	14.6

Worst performing funds in price terms in November:

	(%)
Cambia Africa	-33.9
Cambium Global Timberland	-13.1
Global Fixed Income Realisation	-12.7
Golden Prospect Precious Metals	-12.7
Dragon Ukrainian Properties	-12.2
St. Peter Port Capital	-9.8
Athelney Trust	-8.9
NB Distressed Debt Global	-7.9
Dunedin Enterprise	-7.6
Altus Resources Capital	-7.4

Best performing funds in NAV terms in November:

	(%)
British & American	26.1
Elephant Capital	14.3
US Traded Life Interests	13.0
Fidelity China Special Situations	11.6
Scottish Mortgage	11.0
Baillie Gifford Japan	10.8
JPMorgan Indian	10.3
Jupiter European Opportunities	10.2
JPMorgan Japanese	10.1
JPMorgan Chinese	10.1

Worst performing funds in NAV terms in November:

	(%)
Aurora Russia	-40.9
Cambium Global Timberland	-19.8
New City Energy	-10.4
Global Resources	-6.7
Ukraine Opportunity	-6.7
Prospect Japan	-5.9
Japan Residential	-5.3
JPMorgan Russian	-5.2
City Natural Resources	-4.3
RAB Special Situations	-4.3

More expensive relative to NAV (notable changes)

The couple of deals we referred to above, Sirius Real Estate and Baker Steel Resources, both had a beneficial impact on the valuation of those funds. The rebound in India Capital Growth's performance (up almost 50% year to date in NAV terms) is now being reflected in its share price. It was great to see Premier Energy & Water, one of our research clients, move to trading at a premium as it continues to outperform both its benchmark and its peer group.

Cheaper relative to NAV (notable changes)

It looks as though British & American's share price already reflected investors' hopes for Geron, its US listed, biotech investment (see above, c30% of its portfolio). Globalworth has done another deal in Romania, buying an office in Bucharest. Qannas has been busy too, with new investments in Eastern European Hard Rock Cafes and a Financial Services company. NB Distressed Global moved to trade closer to its asset value (which fell over the month).

	% discount (-ve) or premium (+ve)	
	Nov (%)	Oct (%)
Sirius Real Estate	-16.1	-27.6
India Capital Growth	-12.0	-22.3
Premier Energy & Water	+0.4	-9.0
Baker Steel Resources	-36.7	-45.6

	% discount (-ve) or premium (+ve)	
	Nov (%)	Oct (%)
British & American	+6.4	+39.3
Globalworth Real Estate	-11.1	-0.6
Qannas Investments	-5.7	+3.4
NB Distressed Global	-1.6	+5.7

Money raised in November

November was a great month for fundraising by alternative income funds. Bluefield Solar Fund raised £131m from investors during the month and Next Energy Solar raised £95m. International Public Partnerships got an extra £95m. GCP Infrastructure raked in £70m. Empiric Student Property raised £66m. Schroder Real Estate and UK Commercial property both issued £27m worth of shares and Standard Life Investments Property Income raised another £20m. CVC Credit Partners Opportunities placed £16m worth of shares. Many of the equity income funds were also issuing shares, notably City of London.

Money returned in November

We said goodbye to Harbourvest Senior Loans Europe during the month. Spire Partners, managers of the fund in its final days, had hoped to reinvigorate the fund but this was not to be. International Biotechnology bought back almost £30m worth of its shares during the month. One notable seller of the shares was Weiss Asset Management who no longer have a notifiable holding in the company. The usual suspects continued their share buy-back programmes Monks, SVG Capital, British Empire, Bluecrest AllBlue and BH Macro all shrank by £5m or more.

November's major news stories – taken from our website

Portfolio Developments

Nimrod Sea Assets bought a number of vessels
International Public Partnerships invested in offshore transmission
Riverstone Energy investment, CNOR, invested in Tourmaline Oil
Henderson Eurotrust wrote off its investment in OW Bunker
Qannas invested in Hard Rock Cafes in Eastern Europe and a new Financial services company
Better Capital 2012 bought the Walkabout chain of bars
British Empire hedged its yen exposure
Polo Resources invested in Weatherly International
3i Infrastructure invested in a French prison
Renewables Infrastructure bought wind farms in Scotland and Ireland
Bluefield Solar is expanding a solar park in Norfolk
GCP Infrastructure invested in a Biomass project

Property News

Public Service Properties sold two German care homes
Assura bought a number of medical centres
Target Healthcare bought a number of care homes
Hansteen sold its UK Industrial portfolio
LondonMetric carried out a number of transactions
Custodian REIT bought a warehouse in Warrington
Ediston completed the acquisition of its initial portfolio
Workspace bought a building in Fleet Street
Great Portland sold a building in New Fetter Lane
Kennedy Wilson Europe bought on Buckingham Palace Road
SEGRO sold a logistics portfolio
Tritax Big Box bought a distribution centre in Doncaster and Tesco's warehouse in Manchester
Empiric Student Property made a number of investments
Derwent London bought offices above Angel tube station
Schroder Real Estate bought an industrial estate in Milton Keynes
Globalworth bought an office in Bucharest

Corporate News

Eredene Capital is conducting one last tender and will cease to trade on AIM
Baker Steel Resources announced it would expand via a stock swap and a fund raising
The Chairman of **Henderson Value** resigned after a row
Schroder Real Estate is thinking of converting to a REIT
Brooks MacDonald requisitioned a meeting of **Origo** shareholders to change the Board
Black Sea Property received a requisition asking that it halt its liquidation.
Schroder Income Growth will use derivatives to generate income for the fund
Foreign & Colonial is redeeming its £110m 25 year debenture at the end of the year
RENN Universal is planning to go into liquidation
BlackRock Hedge Selector will wind up

Managers & Fees

International Biotechnology cut its management fee
Wee-Li Hee returned from maternity leave to manage
Scottish Oriental Smaller Companies
Terra Capital Partners is cutting its fees
Schroder income Growth cut its fees



Better Capital 2012 bought the debt facilities of iNTERTAIN which owns a chain of bars across the UK, most of which trade as Walkabout. Better Capital is committing £20m to this investment

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Have you read December's Economic & Political roundup?