

Investment Companies Roundup

April 2015

QUOTEDATA

We have added more information this month with a section on income. This is a work in progress that will take shape over coming months – we hope it is useful.

Winners and losers in March

The one obvious theme in the “winners” column this month is the strength of funds investing in Japan. This was the continuation of a trend that started in the middle of January. There hasn’t been much change in the Sterling/Yen exchange rate over this period so the move is all down to the performance of the Japanese stock market – we recently published a report on the funds specialising in Japan that you can access on our website.

The “losers” in March are a diverse bunch but one theme that stands out again is the weakness in the natural resources sector. This was one factor in Brazil’s disappointing performance but the deepening corruption scandal related to Petrobras is also taking its toll. Black Sea Property is little more than a cash shell at the moment while it gets ready to start investing again. St. Peter Port’s share price move might be a reaction to the bankruptcy of Gourmet Express, one of its holdings.

Best performing funds in price terms in March:

	(%)
SVM UK Emerging	+21.6
Livermore	+17.7
Tejoori	+16.3
Aurora Russia	+15.4
RAB Special Situations	+12.5
JPMorgan Japanese	+12.3
JPMorgan Japan Smaller Companies	+12.1
Schroder Japan Growth	+10.4
JPMorgan European Growth	+9.7
Atlantis Japan Growth	+9.7

Worst performing funds in price terms in March:

	(%)
Black Sea Property	-66.7
St Peter Port Capital	-30.9
Global Resources	-26.2
Trading Emissions	-24.8
Invista European Real Estate	-23.8
PME Africa	-21.9
Alpha Pyrenees	-18.7
Avanti Capital	-18.1
Spark Ventures	-14.1
Praetorian Resources	-12.5

Best performing funds in NAV terms in March:

	(%)
Elephant Capital	+22.1
British & American	+12.8
Baillie Gifford Shin Nippon	+9.5
Lindsell Train	+9.4
Biotech Growth	+8.1
Fidelity China	+8.0
Aurora Russia	+7.8
JPMorgan Japanese	+7.7
Atlantis Japan Growth	+7.5
JPMorgan Japan Smaller Co.s	+7.4

Worst performing funds in NAV terms in March:

	(%)
Cambium Global Timberland	-17.0
Golden Prospect Precious Metals	-10.2
Global Resources	-7.1
JPMorgan Brazil	-5.7
Aberdeen Latin American Income	-4.8
Tiger Resource Finance	-4.6
RAB Special Situations	-4.3
Ashmore Global Opportunities	-3.5
Investors Capital	-2.9
Edinburgh Investment Trust	-2.8

More expensive relative to NAV (notable changes)

Standard Life Investments Property Income is looking quite expensive on a 17% premium. Investors have been flocking to property trusts in search of income. Ideally they would be issuing shares to cool demand but they are keen not to dilute shareholders’ returns with big cash balances so issues will probably only happen when they have lined up new investments.

Cheaper relative to NAV (notable changes)

The buoyant market for private equity that seems to be evident in the discount moves for the Standard Life and Princess funds in the adjacent column, is not universal as is evidenced by the performance of Candover and Better Capital 2012. Candover’s largest investment, Expro International, has been hit by the falling oil price. Better Capital’s rating took a hit with the City Link administration and investors are still avoiding it.

	% discount (-ve) or premium (+ve)	
	31 Mar	28 Feb
	(%)	(%)
Standard Life Inv Property Inc	+17.4	+9.1
Investors Capital (units)	-3.0	-10.7
Standard Life European Private Eq	-12.1	-18.9
Princess Private Equity	-13.8	-19.4
Greencoat UK Wind	+7.6	+2.3

	% discount (-ve) or premium (+ve)	
	31 Mar	28 Feb
	(%)	(%)
St Peter Port Capital	-68.5	-54.5
Lindsell Train	+5.6	+15.8
Global Resources	-67.7	-60.0
Candover	-39.7	-33.8
Better Capital 2012	-35.9	-30.0

Money raised in March

We had two fairly sizeable new additions to the sector during March. VPC Speciality Lending becomes the second peer-to-peer lender to list after P2P Global. It raised £200m. Sequoia Economic Infrastructure lends against infrastructure assets, it raised £150m. Tritax Big Box leads the list of existing funds raising money, it got £175m from a placing and offer for subscription. Empiric Student property raised £85m, Foresight Solar £36.1m, Picton Property £35.2m, Target Healthcare £25.2m, CVC Credit Opportunities £12.8m and €9.2m. European Assets heads up the list of funds issuing stock through regular tap issues, adding shares worth £14.8m. Jupiter European Opportunities also added about £13m worth of stock.

Money returned in March

CQS Diversified's shareholders voted to approve the liquidation of the company on 5 March, shrinking the hedge fund subsector further. Mercantile was the biggest repurchase of shares, over the course of the month it bought back over three quarters of a million – equivalent to £13.8m worth at the price on 31 March. Other large repurchasers of stock were NB Global floating Rate Income, Templeton Emerging Markets, SVG Capital and NB Distressed Extended Life – all of which shrank by more than £5m. Monks was next on the list.

March's major news stories – taken from our website

Portfolio Developments

GLI Finance sold its stake in Fair Oaks Income and raised its stake in Trade River Finance

Marwyn invested in Zegona Communications

Both **HICL Infrastructure** and **International Public Partnerships** invested in schools projects

NextEnergy Solar expanded its Bilsham plant and bought a number of others

Marwyn vehicle, Haversham, was linked to a bid for British Car Auctions,

SVG sold the balance of its holding in Hugo Boss

Better Capital bought CAV Aerospace

Renewables Infrastructure bought a solar plant in Cornwall

Corporate News

UK Commercial Property is refinancing its debt and extending its life

JPMorgan Claverhouse appointed a Board apprentice
Invesco Perpetual UK Smaller Companies will distribute dividends from capital to achieve a 4% yield

Alliance Trust was requisitioned by Elliott Advisers who asked for three new directors to be appointed

Black Sea Property asked shareholders if it could make new investments

Vietnam Infrastructure's restructuring has been delayed until Q2 2015



Marwyn Value Investors has invested £10m into the vehicle that is acquiring British Car Auctions, owners of webuyanycar.com

Property News

British Land bought Surrey Quays Leisure Park

Picton Property Inc bought a retail park in Gloucester

Empiric Student Property bought a number of new accommodation blocks

SEGRO sold an office park in Milan

British Land will refurbish Meadowhall shopping centre

Shaftesbury refinanced its debt

Summit Germany refinanced its debt

Camper & Nicholsons will redevelop Victoria Quay in Cowes

Town Centre Securities bought units in an industrial estate in Leeds

Schroder Real Estate will become a REIT

Managers & Fees

NB Distressed Debt got two new co-portfolio managers, replacing Patrick Flynn

Invesco Income Growth cut its fees

Vontobel took control of TwentyFour Asset Management, managers of **TwentyFour Income Fund** and

TwentyFour Select Monthly Income

BlackRock Throgmorton said Ralph Cox was stepping down as co-manager

Nitin Bajaj is replacing John Lon as manager of **Fidelity Asian Values**

Charles Plowden is replacing Gerald Smith as manager of **Monks**

Income

For anyone looking to keep track of their income, you can access a list of recently announced dividends on our website. This is updated daily.

The table below shows how investment companies' full year dividends have been growing (or not) and how well they are covered by earnings.

Fund	Year ended	Dividend	Change over year	Revenue / earnings	Cover
JPMorgan Senior Secured Loan	1/15	5p	First year	4.81p	0.96x
Martin Currie Global Portfolio	12/14	4.1p	+2.5%	3.92p	0.96x
Starwood European Finance	12/14	5.8p	+205% ¹	6.15p	1.06x
Mercantile	12/14	41p	+2.5%	42.1p	1.03x
Dunedin Income & Growth	1/15	11.25p	+1.4%	11.9p	1.06x
F&C Private Equity	12/14	10.84p	+2.5%	2.61p	0.24x
BBGI SICAV	12/14	5.76p	+4.7%	9.18p	1.59x
International Public Partnerships	12/14	6.3p	+2.4%	9.49p	1.50x
North American Income Trust	12/14	30p	+11.1%	32.71p	1.09x
John Laing Infrastructure	12/14	6.625p	+1.9%	8.61p	1.30x
BlackRock World Mining	12/14	21p	unchanged	21.13p	1.01x
Henderson High Income	12/14	8.6p	+2.4%	9.24p	1.07x
EP Global Opportunities	12/14	3.3p	+22.2%	3.7p	1.16x
Fidelity European Values	12/14	3.1p+0.54p	+4%	3.67p	1.01x
Real Estate Investors	12/14	1.5p	+50%	-0.36p ²	
Japan Residential	12/14	3.6p	unchanged	3.5p	0.97x
Witan	12/14	15.4p	+6.9% ³	15.9p	1.03x
NB Private Equity	12/14	\$0.45	+9.8%	\$0.59 ⁴	1.31x
Murray International	12/14	45p	+4.6%	40.8p	0.91x
Invesco Perpetual UK Smaller		13.75p	+111.5% ⁵		
JPMorgan Claverhouse	12/14	20p	+2.6%	23.3p	1.17x
Raven Russia	12/14	6p ⁶	+20%	5.7p ⁷	0.96x
Hg Capital	12/14	32p+19p	+10.3%	58.76p	1.15x
Hansteen	12/14	5p+3p	+4.2%	5.2p	1.04x
European Assets	12/14	€0.7581	+8.5%	€0.1548 ⁸	0.20x
Alliance Trust	12/14	9.834p ⁹ + 2.546p	+3.0%	12.37p	1.0x
Athelny Trust	12/14	6.7p	+21.8%	7.8p	1.16x
Aberdeen Sm Co.s High Income	12/14	6.45p	+3.2%	7.1p	1.10x
Foresight Solar Fund	12/14	6p	First year	5.9p	0.98x
Foreign & Colonial	12/14	9.3p	+3.3% ¹⁰	6.69p	0.72x
The Investment Company ¹¹	6/15	23.6p	+13.9%		

Notes

- 1) Starwood European Finance is reporting on its second accounting period, 5.8p was in line with its target for 2014
- 2) Real Estate Investors 0.36p per share loss is calculated after adjusting profits to take out property valuation changes, profits on sales of property and the impact of derivatives and deferred tax
- 3) Witan is reporting 40 years of dividend increases
- 4) NB Private Equity's revenue is projected as at 31/12/14 and exclude fees and cost of finance
- 5) Invesco Perpetual UK Smaller is planning to pay a 4% dividend yield by topping up revenue with a capital distribution
- 6) Raven Russia is conserving cash by "paying" the dividend through a tender offer for 1 share for every 52 held
- 7) Raven Russia's reported revenue was \$0.0894 which works out at 5.7p
- 8) European Assets doesn't split revenue and capital growth in its accounts, this is a rough estimate assuming 50% of expenses are allocated to income
- 9) Alliance Trust is reporting 48 years of dividend increases
- 10) Foreign & Colonial is reporting 44 years of dividend increases
- 11) The Investment Company is warning that the dividend in 2016 will be cut to 20.72p because of the low interest rate environment

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.

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