

Investment Companies Roundup

September 2016

QUOTEDATA

Winners and losers in August

Activist fund, Crystal Amber, tops the table for both price and NAV performance during the month. Its gains were largely driven by its holding in Northgate (up 40.5% during August). Crystal Amber wrote to the company in July requesting a strategic review including a potential sale of all or part of the business. Elsewhere, a number of Asia-Pacific ex-Japan funds have performed well (Macau Property Opportunities, JPMorgan Chinese, JPMorgan Asian, Vietnam Holding), which arguably reflects an improving outlook for the region. UK focused Industrial Multi Property, Miton UK Microcap, Independent and Henderson Smaller Companies all suffered in the wake of the Brexit vote but have recovered in August as markets have settled.

In NAV terms, there was a clear trend towards falls for companies invested in Japan and Japanese smaller companies - six out of the top 10 NAV falls were for companies focused on this area. The deterioration arguably reflects a deteriorating economic outlook in Japan – economic growth in the second quarter fell to 0.2% which was a slowdown from the 2% growth rate in Q1 and below market forecasts of 0.7%. Ecofin's NAV fell during the month but its share price fell further following publication of its reconstruction proposals. The European Real Estate investment trust sold its last income producing asset at the end of June. It has one final asset but the timing and amount of any sale are uncertain.

Best performing funds in price terms in August:

	(%)
Crystal Amber	+21.8
Macau Property Opportunities	+20.3
Industrial Multi Property	+20.0
Alternative Liquidity	+19.3
Riverstone Energy	+18.2
Fair Oaks Income	+17.2
Juridica Investments	+15.8
UIL	+14.6
Terra Catalyst	+14.6
Reconstruction Capital II	+14.3

Worst performing funds in price terms in August:

	(%)
European Real Estate	-15.9
Baillie Gifford Shin Nippon	-9.3
Infrastructure India	-6.4
International Biotechnology	-6.1
British & American	-5.9
BlackRock Income Strategies	-5.9
Ecofin Water & Power Opportunities	-5.6
JPMorgan Brazil	-5.6
Strategic Equity Capital	-5.1
Dolphin Capital Investors	-4.5

Best performing funds in NAV terms in August:

	(%)
Crystal Amber	+15.1
JPMorgan Chinese	+9.9
Miton UK Microcap	+7.8
JPMorgan Asian	+7.5
Vietnam Holding	+7.4
UIL	+7.2
Henderson Smaller Companies	+7.0
Qatar Investment Fund	+7.0
Independent	+6.9
Polar Capital Global Financials	+6.7

Worst performing funds in NAV terms in August:

	(%)
Fidelity Japanese Values	-8.2
Golden Prospect Precious Metals	-7.2
Baillie Gifford Shin Nippon	-7.0
Blackrock World Mining Trust	-6.9
JPMorgan Japanese	-6.4
Electra Private Equity	-5.8
JPMorgan Japan Smaller Companies	-5.7
Prospect Japan	-5.4
Atlantis Japan	-5.0
Ecofin Water & Power Opportunities	-3.5

More expensive relative to NAV (notable changes)

Fast Forward Innovations is a fund on a large premium, which shrank during July but has seen this reverse in August as market confidence has returned. Fair Oaks and Northern Investors continued on their paths of strong price performance and the market responded positively to Riverstone Energy's results release at the end of the month.

Cheaper relative to NAV (notable changes)

Unlike FastForward Innovations, the reduction in British & American's premium, seen in July, has continued into August. Miton UK Microcap's NAV has recovered although its share price seems to have lagged. A similar phenomenon has also affected Strategic Equity Capital whose share price fell at the end of the month whilst its NAV has remained steady.

	% discount (-ve) or premium (+ve)			% discount (-ve) or premium (+ve)	
	31 Jul (%)	31 Aug (%)		31 Jul (%)	31 Aug (%)
Fair Oaks Income	-6.8	+7.1	European Real Estate	-10.7	-24.9
Northern Investors	+6.8	+19.7	British & American	+60.7	+48.0
FastForward Innovations	+61.2	+73.6	Strategic Equity Capital	-2.9	-10.2
Juridica Investments	-20.0	-8.3	Chelverton Smaller Cos Dividend	-0.5	-7.5
Riverstone Energy	-23.7	-12.6	Miton UK Microcap	+1.6	-5.0

Money raised and returned in August

Money raised in August

There were no new issues in August. Starwood European Real Estate raised £73m from investors to fund a loan made against a portfolio of hotels in the UK. TwentyFour Income Fund issued £48m worth of shares at a 2% premium to net asset value. The list of funds drip feeding shares into the market to satisfy demand is headed up this month by Personal Assets which raked in over £17m. Finsbury Growth & Income, NextEnergy Solar, Custodian REIT, City of London and John Laing Environmental Assets all issued at least £5m worth of stock.

Money returned in August

Vietnam Infrastructure's Listed Portfolio shares were redeemed in a compulsory transaction during the month. Shareholders got units in an open-ended fund in exchange. CVC Credit Partners European Opportunities shrank by over £30m as it held a tender offer. Mercantile bought back shares worth almost £16m during August. NB Global Floating Rate Income and BH Macro bought back £11.2m and £10.4m worth of stock respectively. Templeton emerging Markets, Scottish Investment Trust, Scottish Mortgage, Foreign & Colonial and Standard Life European Private Equity all repurchased at least £5m worth of their shares.

August's major news stories – taken from our website

Portfolio Developments

Alternative Asset Opportunities reported on a policy maturity

International Public Partnerships invested in 10 building schools for the future projects

CatCo Reinsurance Opportunities made a provision in relation to the Alberta wildfires

Hg Capital invested in Mobytt and sold Relay Software and NetNames

Riverstone Energy sold Rock Oil

JZ Capital invested in Pacific Medical, bought an office in West Palm Beach and sold Fidor Bank

Corporate News

Altin is cancelling its listing in London and making a capital distribution

Acencia Debt Strategies said it wanted to continue **Ecofin Water & Power** offered more cash as part of its reconstruction proposals

KHP made a bid for **Private Equity Investor**

BlackRock Income Strategies said it would review its investment policy

Property News

Picton Property Income sold a property in Jewry Street

Target Healthcare bought homes in Dundee and Derbyshire

LXB Retail sold a B&Q in Greenwich and an investment in Stafford

SEGRO sold an industrial estate near Heathrow

Empiric added properties in London and Exeter

Tritax invested in distribution facilities for Amazon and Kellogg's, secured a new debt facility and embarked on a development in Woverhampton

Custodian REIT invested in a distribution facility for H&M

European Real Estate sold three industrial properties and is planning a capital return

Managers & Fees

European Investment Trust got a new manager

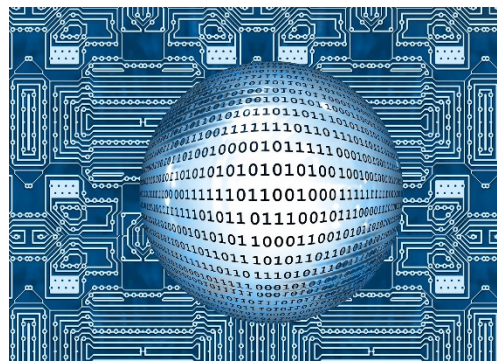
Aberdeen Asian Income Fund's management fee was cut

Ground Rents Income amended its fee structure

Research



We published a note on Edinburgh Dragon – **Returning to form** – and a note on Herald Investment Trust – **Investing in the future**



Income

Investment Companies announcing their full year dividends in August

Fund	Year ended	Dividend	Change over year	Revenue / earnings	Cover
Diverse Income Trust	31/05/16	2.8	+12.0%	3.33	1.19x
Henderson Smaller Companies	31/05/16	15.0	+11.1%	15.9	1.06x
Miton UK MicroCap	30/04/16	0.14	Initial period	0.32	2.29x

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.

QUOTEDDATA

Quoted Data is part of Marten & Co Limited which is authorised and regulated by the Financial Conduct Authority. This note is copyright and July not be disseminated in a manner that would violate the securities laws of any relevant jurisdiction. It was prepared from publicly available information and is believed to be factually correct at the time of writing but readers should place no reliance on the content of this note and Marten & Co will not be liable for any action taken by the reader. Above all the reader should note that this is not advice and this note is not intended to be an inducement to buy or sell any security mentioned within it.