

April 2017

Winners and losers in March

Best performing funds in price terms in March:

	(%)		(%)
Kubera Cross Border	+19.2	Geiger Counter	-16.0
Macau Property Opportunities	+18.4	Infrastructure India	-15.4
Manchester & London	+14.7	Polo Resources	-13.2
India Capital Growth	+10.8	EF Realisation	-12.6
F&C Capital & Income	+10.3	Golden Prospect Precious Metal	-12.3
Threadneedle UK Select	+9.6	Globalworth Real Estate	-10.6
Fundsmith Emerging Equities	+9.2	Prospect Japan	-10.4
JPMorgan European Income	+9.0	City Natural Resources	-10.4
Jupiter European Opportunities	+9.0	Better Capital 2012	-9.8
Fidelity Asian Values	+8.8	EPE Special Opportunities	-9.2

Source: Morningstar, Marten & Co

Worst performing funds in price terms in March:

Source Morningstar, Marten & Co

Best performing funds in NAV terms in March:

	(%)		(%)
India Capital Growth	+7.5	Geiger Counter	-12.1
British & American	+7.3	EF Realisation	-11.2
JPMorgan European Smaller Companies	+6.7	UIL	-6.5
Jupiter European Opportunities	+6.6	Doric Nimrod Air Three	-5.7
Aberdeen New India	+6.5	City Natural Resources	-5.0
JPMorgan Indian	+6.0	Amedeo Air Four Plus	-4.8
Marwyn Value Investors	+5.7	BlackRock World Mining	-4.4
Establishment Investment Trust	+5.6	Golden Prospect Precious Metal	-3.7
TR European Growth	+5.4	JPMorgan Brazil	-3.6
Pacific Horizon	++5.1	Premier Energy & Water	-3.5

Source: Morningstar, Marten & Co

Source Morningstar, Marten & Co

Kubera Cross Border managed to sell its interest in Planetcast Media during the month. **Macau Property Opportunities** published its interims and reported positive sentiment in Macau. **India Capital Growth** has been doing well as investors' fears over the impact of demonetisation have eased (see our note for more detail), large cap Indian funds have also been rising. **Threadneedle UK Select** is merging with **Henderson High Income**. European and Asian markets did well on the back of positive data, benefitting funds such as **JPMorgan European Smaller** and **Fidelity Asian Values**.

Resources funds fell as the failure of the Republican health bill called into question Trump's ability to execute on his ambitions to reflate the US economy. **Geiger Counter** was worst hit. The bankruptcy of Westinghouse may lead to delays or cancellations in the building of new nuclear power stations. **Prospect Japan** reported a poor set of results. **Better Capital 2012** took a big hit to its NAV as it wrote down the value of its investment in Jaeger. Dollar weakness had an impact on the NAVs of funds such as **Doric Nimrod Air Three** and **Amedeo Air Four**. A dip in the oil price hurt Lonestar Resources, **EFR Realisation's** largest investment.

Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

Signs of improvement in the local property market helped narrow **Macau Property Opportunities'** discount. **Manchester & London** has been one of the best performing UK equity funds (by virtue of its significant overseas exposure). **F&C Capital & Income** moved back to trading on a premium after a brief period of share price weakness. GLI Finance placed all of its holding in the **SME Loan Fund** with new investors and the removal of this overhang helped narrow the discount.

Cheaper relative to NAV (notable changes)

Prospect Japan's discount widened even though it is still subject to a takeover bid. **EPE Special Opportunities'** discount spiked out towards the end of the month but has narrowed since on the back of good results. **Fidelity Special Values** has been performing fairly well but it may have suffered as investors lost faith in the Trump growth story. **Aberdeen Smaller Companies Income's** results showed that it lagged its benchmark last year. Bankers' discount has moved to trade at the bottom of its usual range.

	% discount (-ve) or premium (+ve)			% discount (-ve) or premium (+ve)	
	28 Feb (%)	31 Mar (%)		28 Feb (%)	31 Mar (%)
Macau Property Opportunities	-36.2	-24.0	Prospect Japan	-3.6	-12.6
Manchester & London	-20.8	-11.1	EPE Special Opportunities	-18.3	-25.9
F&C Capital & Income	-4.8	+3.0	Fidelity Special Values	-2.0	-8.4
SME Loan Fund	-9.0	-2.6	Aberdeen Smaller Co.s Income	-17.4	-23.5
Threadneedle UK Select	-9.4	-3.2	Bankers	-2.8	-8.5

Source: Morningstar, Marten & Co

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 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

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Money raised and returned in March

Money raised in March

	£m
Biopharma Credit	607.1
HICL Infrastructure	260.0
Impact Healthcare REIT	146.2
John Laing Infrastructure	119.5
Renewables Infrastructure Group	110.0

Source: Morningstar, Marten & Co

Money returned in March

	£m
Alliance Trust	756.5
Scottish Investment Trust	94.3
Aberdeen Frontier Markets	59.8
Mercantile	25.6
JPMorgan American	17.7

Source Morningstar, Marten & Co

March saw the launch of two new funds, **BioPharma Credit** and **Impact Healthcare REIT**. BioPharma Credit raised \$761.9m from investors. It will invest in a portfolio of loans most of which will be backed by royalty payments on

medical treatments. Impact Healthcare REIT is investing in residential care homes. It has a portfolio of care homes lined up and will issue a further 14m shares when that acquisition goes through. Existing fund, **HICL Infrastructure**, raised £260m from investors. This is a lot of money to take in from a secondary issue of shares but HICL say that they had applications for three times as many shares as were available. Another infrastructure fund, **John Laing Infrastructure**, raised £119.5m from a placing, while two renewable energy funds, **Renewables Infrastructure** and **Foresight Solar**, raised £110m and £78.5m respectively. **Blackstone/GSO Loan Financing**, which invests in CLOs (see the glossary on our website for an explanation) is running a new 12-month placing programme. It issued €75m worth of shares in March. **Scottish Mortgage**, which has just entered the 100 Index, saw its ongoing tap issue raise £35m in March. **Regional REIT** issued £28m worth of stock as part of a deal it did to acquire a portfolio of properties from **Conygar**. **Duke Royalty** issued £15m worth of shares as it was readmitted to trading on AIM. Like BioPharma, it will start making royalty investments. Other notable issuers of stock included **Personal Assets**, **JPMorgan Elect** (as it took in money from the M&G High Income rollover – see below for more detail), **Finsbury Growth & Income** and **Custodian REIT**.

Alliance Trust shrank by over £750m as it bought back Elliott's stake in the company and conducted a number of other share repurchases in an effort to keep its discount trading around the 4.75% mark. Alliance wasn't the only venerable Scottish Trust forced to hand back cash to shareholders. **Scottish Investment Trust** became the latest fund to buy back shares held by Aviva. **Aberdeen Frontier Markets** offered all of its shareholders the chance to sell their holding back to the company. The fund reduced in size but it has shifted to investing directly rather than through funds and Aberdeen Asset Management have backed it with their own money (see our note for more details). The usual suspects, including **Mercantile** and **JPMorgan American** continued to shrink (JPMorgan American is revamping its investment approach in the hope of improving performance) as well as **British Empire**, **Templeton Emerging**, **Toro**, **Impax Environmental Markets**, **Witan** and **VinaCapital Vietnam Opportunities** – all of which bought back stock worth at least £5m.

Electra is planning a special dividend of £1bn or 2612p pence per share payable in May 2017. Commentators have condemned the move which penalises individual shareholders who hold the company outside of a tax-protected wrapper (such as an ISA or SIPP) and have questioned why the company isn't making a compulsory redemption of shares instead.

We said goodbye to three funds during March. 60.8% of **Aberdeen UK Tracker**'s shareholders have opted to take cash rather than roll over into **Aberdeen Diversified Income & Growth**. In the wind-up of **M&G High Income**, £166m was repaid to shareholders in cash; £251.8m went to M&G UK Income Distribution Fund; £10m each to M&G Strategic Corporate Bond Fund and M&G Dividend Fund, £7.8m to **JPMorgan Elect Managed Growth**, £4.4m to **JPMorgan Elect Managed Income** and £1.8m to **JPMorgan Elect Managed Cash**. **New City Energy** is now in liquidation

March's major news stories – from our website

Portfolio Developments

- **FastForward Innovations** said it would exchange its Satoshi stake for Blue Star shares and invested in Nuvera
- Epiris made a string of disposals on behalf of **Electra**
- **Dunedin Enterprise** invested in Forensic Risk Alliance
- **GCP Asset Backed Income** lent against UK residential property
- **JPMorgan Private Equity** sold Datamars
- **Kubera** sold Planetcast Media
- **Starwood European** said two loans had been repaid
- **Marwyn** invested in speciality chemicals company, Wilmcote
- **Greencoat UK Wind** bought Langhope wind farm
- **ICG Longbow** announced the repayment of a loan

Corporate News

- **Foresight Solar** announced it would list on the Johannesburg stock exchange but later changed its mind
- **Sirius Real Estate** did get a listing on the Johannesburg stock exchange
- **BP Marsh** announced a new discount control policy
- All of GLI Finance's stake in the **SME Loan Fund** was place with new investors
- **BlackRock Latin American** said it wanted to extend its tender performance measurement period
- **Fair Oaks Income** put forward proposals to extend its life which were approved by shareholders
- **Aberdeen Frontiers** proposals to shift to direct investing were backed by investors
- **Polar Capital Global Healthcare** published some thoughts on its future

- **Amedeo Air Four Plus** said it would buy Airbus 350s
- **Better Capital 2012** wrote down the value of Jaeger



Kubera Cross Border sold its interest in Planetcast Media services, raising \$22.5m for the company

- **Threadneedle UK Select** will merge with Henderson High Income
- **Duke Royalty** has plans to raise capital so that it can be readmitted to AIM
- **BlackRock Smaller Companies** said it wanted to remove the cap on its AIM exposure
- **Alpha Real Trust** intervened in Hansteen's bid for Industrial Multi Property – the bid became unconditional
- **JZ Capital** extended a credit line
- **Pershing Square** plans to list in London
- A small group of shareholders put forward a proposal for a buy-back at **Strategic Equity Capital**
- **JPMorgan American's** board and manager said they would revamp its investment approach
- **ICG Enterprise** refinanced its bank facilities

Property News

- **Tritax Big Box REIT** secured a new loan facility
- **Custodian REIT** bought retail property in Chester and sold a property in Peterborough
- **British Land** sold the CheeseGrater
- **Empiric Student Property** got a £10m loan facility
- **Pacific Industrial** bought a logistics warehouse in Leeds
- **GCP Student Living** bought a building in Bloomsbury
- **Target Healthcare REIT** bought two care homes
- **Green REIT** sold Parkway Retail Park
- **LXi REIT** bought a car park in Sheffield and a Travelodge in Essex
- **SEGRO** launched a rights issue to fund portfolio expansion
- **MedicX** invested in three healthcare centres and said it intended to become a REIT
- **Intu** completed its acquisition of Xanadu in Madrid
- **LondonMetric** sold three retail properties and bought two warehouses in Leeds
- **Hansteen** proposed the sale of its German and Dutch portfolios
- **Safestore** withdrew its incentive plan proposal
- **Standard Life Property Income** sold White Bear Yard and bought an industrial scheme in Bristol
- **Primary Health Properties** is funding a new Irish care centre
- **Schroder Real Estate** sold St Augustine's courtyard in Bristol

Managers & Fees

- **Keystone** got a new manager
- Alan Borrows intends to resign from **Seneca**
- Jim Campbell is on leave from **JPMorgan European Smaller**
- **BlackRock Emerging Europe** cut its fee
- **Monks** adopted a tiered fee
- **Volta Finance** upped directors' pay



Alan Borrows, co-manager of Seneca income & Growth is to retire at the end of 2017



SCOTTISH MORTGAGE INVESTMENT TRUST

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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.

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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.

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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

JPMorgan US Smaller Companies said its brought forward revenue deficit was close to being eliminated. “Based on the current revenue run rate and a significant change in attitude to dividends within US small cap company managements (dividends are now an important part of a company's capital allocation priorities) the Board would expect the revenue deficit to be cleared in 2017 and will then be in a position to consider paying a dividend.”

Similarly, Fidelity Japanese Values' board said “The Directors do not recommend the payment of a dividend, but, as Japanese companies are beginning to raise their dividend pay-out ratios generally, this is an area which the Board will continue to monitor closely.”

Investment Companies announcing their full year dividends in March

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
CatCo Reinsurance Opportunities	31/12/16	7.18 cents	+8.5	9.81 cents	1.37x
CatCo Reinsurance Opportunities C shs	31/12/16	5.795 cents	n/a	7.12 cents	1.23x
Tritax Big Box REIT	31/12/16	6.2	+3.3	6.51	1.05x
Apax Global Alpha	31/12/16	8.08	n/a	12.24 ^a	1.51x ^a
Foreign & Colonial	31/12/16	9.85	+2.6	10.6	1.08x
Capital & Regional	31/12/16	3.39	+8.7	3.8	1.12x
European Assets ^b	31/12/16	75.8	+33.9	€(1.07) ^a	n/a
Secure Income REIT	31/12/16	5.8p	n/a ^c	11.3	1.95x
EP Global	31/12/16	4.3+1.0 ^d	+38.7	5.3	1.23x
Polar Capital Global Financials	30/11/16	3.55	+9.9	4.16	1.17x

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
Witan	31/12/16	19.0	+11.8	22.11	1.16x
Murray international	31/12/16	47.5	+2.2	51.2	1.08x
Aberdeen Smaller Companies Income	31/12/16	6.85	+3.0	7.34	1.07x
JPMorgan Claverhouse	31/12/16	23.0	+7.0	25.3	1.10x
Premier Energy & Water	31/12/16	9.70	unchanged	10.91	1.12x
Fidelity European Values	31/12/16	4.17	+25.2	4.34	1.04x
Princess Private Equity	31/12/16	€0.54	unchanged	€1.20 ^a	2.22x ^a
Real Estate Investors	31/12/16	2.625	+31.3	2.8	1.07x
Regional REIT	31/12/16	7.65	n/a ^e	7.7	1.01x
Standard Life Property Income	31/12/16	4.76	+2.5	5.56	1.17x
JPMorgan American	31/12/16	5.0	+25.0	5.7	1.14x
Henderson High Income	31/12/16	9.15	+1.1	9.93	1.09x
City Merchants High Yield	31/12/16	10.0	unchanged	10.5	1.05x
BlackRock Emerging Europe	31/01/17	7.5 cents	n/a	7.5 cents	1.00x
Aberdeen Asian income	31/12/16	8.75	+2.9	9.15	1.05x
International Public Partnerships	31/12/16	6.65	+2.5	17.18 ^a	2.58x
Dunedin Income Growth	31/01/17	11.7	+2.6	12.55	1.07x

Source: Marten & Co, * unless otherwise stated

- a) The company does not separate its revenue and capital returns in its accounts, this is based on a combined figure.
- b) The dividend for 2017 has been set at 78.84 euro cents per share, a fall of 16.4% on 2016's 94.29 cent distribution (which equated to 75.8p). The dividend is set as a percentage of net assets.
- c) Quarterly dividend payments commenced in August 2016.
- d) 4.3p plus a 1p special dividend, cover and change relates to ordinary dividend only.
- e) Regional REIT paid 1p for 2015 but this related to a period of just 56 days from the launch of the company.

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6 March 2017

Aberdeen Frontier Markets

Direct investing

On 9 December 2016, the board of Aberdeen Frontier Markets (AFMC) announced that take up of its 100% tender offer had exceeded expectations. After deliberating on the future of the fund, the board is asking shareholders to approve a shift to direct investing in frontier markets. Shareholders still have the opportunity of a cash exit if desired but the manager is injecting up to £10m into the fund to keep it viable.

Direct investment in frontier markets

Going forward (subject to shareholder approval), AFMC will aim to generate long-term capital growth primarily from investment in equity and equity-linked securities of companies listed in, or operating in, frontier markets. Frontier market countries are developing countries that don't qualify for inclusion in emerging market indices. Permitted countries may include constituents of the MSCI Frontier Markets Index or additional countries that the investment manager deems to be, or displays similar characteristics to, frontier market countries.

The manager is convinced of the attractions of investing in frontier markets. It says that, at the moment, political and economic uncertainty is putting off investors and therefore this means that valuations are depressed. However, it believes that this is could be an attractive entry point but considers that this fund should be viewed as a long-term investment.

Share price and discount

Time period 26/02/2012 to 26/02/2017

Performance over five years

Time period 26/02/2012 to 26/02/2017

Year ended	Share price total return (%)	NAV total return (%)	MSCI Frontier Markets (%)	MSCI Emerging Markets (%)	MSCI World (%)
26/02/13	24.3	16.5	10.6	5.9	17.7
26/02/14	10.9	8.4	11.2	14.5	10.8
26/02/15	11.3	0.8	10.8	14.3	17.8
26/02/16	11.4	0.4	7.0	14.8	0.7
26/02/17	37.1	26.6	27.3	40.5	38.6

In March, we published a note on Aberdeen Frontier Markets, **Direct investing**, which described how that fund's investment approach is changing

We published an initiation note on JPMorgan Russian Securities entitled, **Russian recovery**, where its manager pointed out that, if president trump eases sanctions on Russia, this could provide a significant tailwind for Russian equities

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Initiation | Investment companies

9 March 2017

JPMorgan Russian Securities

Russian recovery

The Russian market has been rebounding on the back of a strengthening oil price but remains one of the cheapest emerging markets. The manager thinks the market could rise further from here. The economy is on an improving trend but, the manager believes that, if President Trump eases sanctions, this could provide a significant tailwind.

JPMorgan Russian Securities (JRS) offers the only pure play on Russia within the investment companies market. It comes with a yield of 2.8% and one of the most experienced investment managers in the sector, Oleg Biryulov, who has been managing JRS since it was launched, and Russian equity funds for 23 years.

Growth from a diversified portfolio of Russian securities

JRS aims to provide investors with capital growth from a diversified portfolio of investments primarily in Russian securities or other companies that operate principally in Russia. Up to 10% of the portfolio can be invested in companies located in former republics of the Soviet Union. The portfolio is fairly concentrated typically between 25 and 50 positions. JRS is permitted to use borrowings but not more than 20% of net assets.

Share price and discount

Time period 26/02/2012 to 26/02/2017

Performance over five years

Time period 26/02/2012 to 26/02/2017

Year ended	Share price total return (%)	NAV total return (%)	Blended benchmark (%)	RTS (%)	MSCI Russia (%)
26/02/13	(3.4)	1.2	(4.8)	(3.2)	(4.8)
26/02/14	(18.7)	(17.0)	(22.9)	(22.1)	(22.9)
26/02/15	(27.4)	(27.1)	(13.8)	(18.2)	(13.8)
26/02/16	0.2	4.7	(1.2)	(0.1)	(1.2)
26/02/17	70.1	64.8	62.9	67.4	62.4

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10 March 2017

Seneca Global Income & Growth

Celebrating five years since strategy change

It has been five years since Seneca Global Income and Growth Trust (SIGT) changed its strategy to allow its managers greater flexibility in managing its multi-asset portfolio. As this anniversary passes, SIGT has moved into the AIC's flexible investment sector where it is one of the best-performing trusts, yet its return volatility is markedly below the peer-group average. Seven months ago, SIGT introduced a new discount control mechanism (DCM) that is keeping the Trust trading at close to a zero discount. It is designed to give investors confidence that they can trade in and out of SIGT at close to NAV. The board believe that this will provide SIGT with a strong foundation on which it can grow.

Multi-asset, low volatility, with yield focus

SIGT's investment objective is to outperform three-month Libor+3% over the longer term, with low volatility and the prospect of income and capital growth, through investment in a multi-asset portfolio, which includes both direct investments (mainly UK equities) and commitments to open- and closed-end funds (overseas equities, fixed income and specialist assets).

Share price and discount

Time period 26/02/2012 to 26/02/2017

Performance over five years

Time period 26/02/2012 to 26/02/2017

Year ended	Share price total return (%)	NAV total return (%)	MSCI AC World (%)	MSCI AC UK (%)	MSCI World (%)
26/02/13	21.3	17.5	17.2	15.7	12.8
26/02/14	13.1	8.4	10.8	7.8	10.6
26/02/15	11.1	7.4	17.8	17.2	5.4
26/02/16	2.7	(1.3)	10.7	2.2	(5.2)
26/02/17	22.3	20.8	36.6	37.5	24.2

Seneca Global Income & Growth is celebrating five years since it strategy change

We published a note on Martin Currie Closed-End Funds that looked in turn at Securities Trust of Scotland, Martin Currie Asia Unconstrained and Martin Currie Global Portfolio

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Snapshot of investment trust range | Investment trusts

13 March 2017

Martin Currie Closed-End Funds

Securities Trust of Scotland

Mark Whitehead became the manager of Securities Trust of Scotland's portfolio in May 2016. Mark, who joined Martin Currie from Savaris in November 2015, heads up a new, better resourced, income team. This includes STS's previous manager, Alan Porter, and this has helped to ensure a smooth transition for the trust. QuotedData takes a look at STS's progress to date and how the trust is performing under the new strategy.

Martin Currie Global Portfolio

Martin Currie Global Portfolio has been managed by Tom Walker since January 2000. The trust aims to be a core low risk holding, particularly for the smaller investor, and its ongoing charges are relatively low within its peer group at 0.71%. Liquidity is added by its zero-discount policy. MGP has a large allocation to North America (an area where its manager has a very high level of experience) and has benefited recently as this market has rallied and sterling has weakened. QuotedData takes a look at MGP's strategy, the manager's views on the US and MGP's recent performance.

Martin Currie Asia Unconstrained

Martin Currie Asia Unconstrained has been managed by Andrew Graham since May 2011. MGP shifted its unconstrained approach in July 2014. This is a long-term, low turnover strategy that is designed to capture the benefits of investing in Asia, while mitigating the downside. Since its inception in 2008 the strategy has delivered returns in line with GGP growth, but with less volatility than the MSCI AC Asia ex Japan index. The process uses in depth forensic accounting to enhance the quality and conviction in research ideas. Absolute returns since the strategy change have been strong and there has also been a marked improvement in performance relative to the main equity market indices. QuotedData takes a look at the strategy's recent performance and the manager's views on why Asian markets have lagged rates of Asian economic growth.

Securities Trust of Scotland performance

Time period 26/02/2012 to 26/02/2017

Martin Currie Global Portfolio performance

Time period 26/02/2012 to 26/02/2017

Martin Currie Asia Unconstrained performance

Time period 26/02/2012 to 26/02/2017

QuotedData

Update | Investment companies 22 March 2017

Strategic Equity Capital

"Business as usual"

Strategic Equity Capital (SEC) announced Stuart Widdowson's departure from GVO Investment Management on 7 February 2017. GVO stress that it is "business as usual" and say Stuart's absence has no impact on the investment philosophy behind SEC, GVO's investment approach or SEC's portfolio. Jeff Harris has stepped up to become lead portfolio manager and Adam Khanal becomes the new deputy manager. The management team is enthused about the prospects for SEC's future performance as they say that former "problem children" within the portfolio are showing positive initial signs of recovery and they expect the market will recognise the latent value within the portfolio.

Focused UK smaller companies portfolio

SEC is managed with a focused portfolio of investments selected on the same basis that a private equity investor would use to appraise its investments.

Two of the non-executive directors added to their holdings in the wake of the announcement. Richard Locke and his wife bought 10,000 shares as did William Barlow.

Year ended	Share price total return (%)	NAV total return (%)	Peer group average (%)	MSCI UK Cap TR (%)	MSCI UK Small TR (%)
28/02/13	17.0	18.7	22.8	21.9	11.8
28/02/14	80.8	47.8	34.7	31.1	10.5
28/02/15	22.7	15.2	(2.2)	1.8	5.4
28/02/16	(1.6)	0.7	6.7	0.5	(9.3)
28/02/17	4.8	15.9	23.9	17.5	24.1

Source: Morningstar, M&C, see page 5 for details of peer group

Sector	UK Smaller Cos
Ticker	SEC LN
Base currency	GBP
Price	203.25p
NAV	234.83p
Premium/discount	(13.4%)
Yield	0.4%



Our most recent note on Strategic Equity Capital, **"Business as usual"** commented on the departure of the fund manager and the promotion of Jeff Harris.

Our annual overview note on India Capital Growth, **Full steam ahead**, looks at the impact of demonetisation on the Indian economy as well as going into the workings of the fund.

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Annual overview | Investment companies 29 March 2017

India Capital Growth

Full steam ahead

With last year's successful subscription share exercise [discussed in QuotedData's last note] pushing India Capital Growth (IGC)'s net assets through the £100m mark, strong performance relative to peers, and buoyant conditions in India, IGC's focus is now on driving down the discount that its shares trade at relative to its net asset value.

Recent poll success by India's ruling political party, the BJP, has put a stamp of approval on its ambitious reform agenda. IGC's manager believes that there may be a temporary dip in growth as the Goods and Services Tax (GST) is introduced this summer, but thinks this should have long-term positive effects.

IGC's discount remains wide relative to its peers (see page 14) yet India remains one of the fastest-growing major economies in the world and the manager has set out to position IGC to take advantage of this.

Mid- and small-cap listed investments in India

IGC's investment objective is to provide long-term capital appreciation by investing (directly or indirectly) in companies based in India. The investment policy permits the company to make investments in a range of Indian equity securities and Indian equity-linked securities. The company's investments will predominantly be in listed mid- and small-cap Indian companies.

Year ended	Share price TR (%)	NAV total return (%)	Portfolio total return (%)	S&P 500 Cap TR (%)	MSCI India TR (%)
28/02/13	12.2	6.8	6.8	(5.1)	1.7
28/02/14	(15.8)	(11.7)	(11.7)	(18.2)	(10.5)
28/02/15	79.7	83.5	79.8	82.9	48.2
28/02/16	(12.6)	(11.6)	(15.6)	(10.0)	(18.2)
28/02/17	44.3	53.3	71.2	56.1	41.2

Source: Morningstar, M&C, Note: un-audited total returns

Sector	Country specialist
IGC LN	Asia Pacific
Base currency	GBP
Price	85.83p
NAV	108.72p
Premium/discount	(19.8%)
Yield	0%



Click here for QuotedData's last note

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.



If you want a basic introduction to investment companies or have questions about the first part of the guide, QuotedData's analysts will be making a presentation over the internet at **2pm on Thursday 27 April**. If this is something you might find useful then please click below to sign up on our website.

YES
I would like to attend the webinar

QuotedData

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123a Kings Road, London SW3 4PL
020 3691 9430

www.quoteddata.com

Registered in England & Wales number 07981621
135a Munster Road, London SW6 6DD

Edward Marten
(em@martenandco.com)

Christopher Bunstead
(cb@martenandco.com)

James Carthew
(jc@martenandco.com)

Matthew Read
(mr@martenandco.com)

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