QuotedData

Monthly roundup | Investment companies

September 2017

Winners and losers in August

Best performing funds in price terms in August:

	(%)
Ashmore Global Opportunities (USD)	+10.9
Lazard World Trust Fund	+9.9
Independent	+9.5
Alpha Real Trust	+8.2
BlackRock Latin American	+8.1
JPMorgan Russian	+8.0
Atlantis Japan Growth	+7.7
Henderson Alternative Strategies	+7.6
Shires Income	+7.5
BlackRock Frontiers	+7.4

Source: Morningstar, Marten & Co

Worst performing funds in price terms in August:

	(%)
LMS Capital	-15.3
EF Realisation	-7.9
Woodford Patient Capital	-7.9
Riverstone Energy	-6.2
Gresham House Strategic	-6.2
Supermarket Income REIT	-5.5
F&C Private Equity	-5.4
JZ Capital Partners	-5.2
Syncona	-4.7
Tritax Big Box REIT	-4.6

Source Morningstar, Marten & Co

Best performing funds in NAV terms in August:

	(%)
JPMorgan Russian	+9.6
Baring Emerging Europe	+8.6
BlackRock Emerging Europe	+8.0
BlackRock World Mining	+8.0
Baillie Gifford Shin Nippon	+8.0
JPMorgan Brazil	+7.9
JPMorgan Chinese	+7.6
BlackRock Latin American	+7.5
Biotech Growth	+6.9
Atlantis Japan Growth	+6.6

Source: Morningstar, Marten & Co

Worst performing funds in NAV terms in August:

	(%)
EF Realisation	-5.2
Pershing Square	-4.5
British & American	-3.5
Qatar Investment Fund	-3.2
Kennedy Wilson Europe	-3.2
Gresham House Strategic	-2.1
Crystal Amber	-2.1
Keystone	-1.9
Perpetual Income & Growth	-1.5
Edinburgh Investment Trust	-1.4

Source Morningstar, Marten & Co

Ashmore Global's interim results showed a sharp rise in its NAV on the back of write-ups in the values of two investments, AEI and Microvast. **Lazard World Trust Fund**'s share rose as activist, Ironsides, took its holding above 10%. **Independent** released an upbeat interim report. **Alpha Real** sold a stake in its H20 shopping centre in Madrid and will return cash to shareholders. Weak sterling helped many overseas funds and many emerging markets funds did well. We saw strong performance from Russia, benefitting funds with exposure to the country; China - Chinese manufacturing numbers were positive; and Brazil where an ambitious privatisation programme was announced. Japan's stock market shrugged off the threat from North Korea but the regional tension did boost gold which was good news for **BlackRock World Mining**.

LMS Capital's discount widened following its tender offer. The oil price moved sideways but **EF Realisation** and **Riverstone Energy** both fell. **Woodford Patient Capital** was out of favour as holding, Sphere Medical, struggled and negative news stories were written about the manager. **Supermarket Income REIT** dropped below its issue price, an unusual state of affairs for recent launches, this was despite it deploying more of its issue proceeds. There was no news of substance on **Syncona** in August but it has announced an IPO of its NightstaRx investment since. Qatar's standoff with its neighbours continues, depressing **Qatar Investment Fund**. A profit warning from Provident Financial hit the NAV's of **Keystone**, **Perpetual Income & Growth** and **Edinburgh Investment Trust** which all have very similar portfolios.

NB: this report has been prepared by Marten & Co and is for information purposes only. It is not intended to encourage the reader to deal in any of the securities mentioned in this report. Please read the important information at the back of this note. QuotedData is a trading name of Marten & Co Limited which is authorised and regulated by the FCA. Marten & Co is not permitted to provide investment advice to individual investors.

Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

British & American's shares could halve and it would still be on a meaningful premium. **Alpha Real Trust** completed on the sale of a large stake in its H2O shopping centre in Madrid and now plans a return of capital. There was no new news on **Secure Income REIT** but **Lazard World Trust Fund**'s share price rose as activist, Ironsides, took its stake up beyond 10% of the company. **Shires Income** has one of the highest yields in the UK equity income sector. Now its discount better reflects that.

Cheaper relative to NAV (notable changes)

LMS Capital's discount widened post the completion of its latest tender. **Candover** reported a drop in its NAV during August. **CatCo Reinsurance Opportunities**' shares fell after it warned that there might be a hit to its NAV from hurricane Harvey. **Riverstone Energy**'s investments in the region may have been affected also but its shares fell after it reported a lower NAV in its interim results. **Woodford Patient Capital** may have been dragged down by negative articles on the manager plus problems at, investment, Sphere Medical.

	% discount (-ve) or premium (+ve)	
	31 Jul (%)	31 Aug (%)
British & America	+104.5	+112.9
Alpha Real Trust	-27.0	-19.8
Secure Income REIT	+10.6	+17.0
Lazard World Trust Fund	-13.3	-7.3
Shires Income	-10.1	-4.4

Source: Morningstar, Marten & Co

	% discount (-ve) or premium (+ve)	
	31 Jul (%)	31 Aug (%)
LMS Capital	-22.5	-35.2
Candover	-12.8	-22.0
CatCo Reinsurance Opp.s	+5.9	-1.9
Riverstone Energy	-8.9	-16.6
Woodford Patient Capital	-0.2	-7.0

Source Morningstar, Marten & Co

Money raised and returned in August

Money raised in August

	£m*
Triple Point Social Housing REIT	200.0
Polar Capital Global Financials	35.2
Edinburgh Dragon	15.0
Personal Assets	12.6
Finsbury Growth & Income	11.5

Source: Morningstar, Marten & Co, * unless otherwise stated

Money returned in August

	£m
Invesco Asia	39.2
Pacific Alliance China Land	$12.0
Alliance Trust	8.6*
Jupiter US Smaller Companies	7.9*
Templeton Emerging Markets	7.5*

Source Morningstar, Marten & Co, * approximate value of shares at 31 August 2017

Raised

Triple Point Social Housing REIT was the only new issue in August. It raised as much money as it was looking for in an oversubscribed issue. **Polar Capital Global Financials** saw its subscription shares converted in full. £15m of **Edinburgh Dragon**'s convertible loan stock was converted into shares as well. It still has £44.7m of this in issue. The usual suspects continued to rake in cash through tap issues. Topping the list were **Personal Assets** and **Finsbury Growth & Income** but **Scottish Mortgage**, **F&C Global Smaller Companies**, **Worldwide Healthcare** and **BB Healthcare** all issued at least £5m worth of stock.

Returned

Invesco Asia held a tender offer for 15% of its share capital; 59.2% of its shares were tendered and 12.5m repurchased and cancelled. **Pacific Alliance China Land** returned $12m to its shareholders by way of a compulsory redemption of shares. Trusts that bought back at least £5m worth of shares during August were **Alliance Trust**, **Jupiter US Smaller Companies**, **Templeton Emerging Markets**, **Qannas Investments**, **Pershing Square Holdings**, **BH Global** and **Herald**.

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 £166.6 billion of funds under management and advice as at 30 June 2017*

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

August's major news stories – from our website

Portfolio Developments

- **Greencoat UK Wind** increased its stake in Clyde Windfarm
- **SQN Secured Income** said the fund was fully committed to investments
- **Marwyn** topped up its stake in Wilmcote
- **VinaCapital Vietnam Opportunities** invested in a toll road operator and a mobile phone distributor
- **Dunedin Enterprise** sold Blackrock PM
- **Kubera Cross Border** sold Synergies Casting
- **Renewables Infrastructure** said it was investing in a battery storage project
- **Greencoat UK Wind** bought a few wind farms
- **FastForward** said its Schoold investment was merging with Lingo Media
- **VinaLand** sold its stake in My Gia
- **Hg Capital** sold Sequel
- **Macau Property Opportunities** updated on Typhoon Hato
- **NextEnergy Solar** bought two solar plants
- **John Laing Environmental** bought an anaerobic digestion plant
- **CatCo Reinsurance Opportunities** made a statement on hurricane Harvey

Corporate News

- **Witan** borrowed £30m for 37 years
- **VinaCapital Vietnam Opportunities** introduced a dividend policy
- **Africa Opportunity** finally merged its C shares

VinaCapital Vietnam Opportunities bought a toll road operator

Property News

- **LXi REIT** made a number of acquisitions and said it was fully invested
- **Land Securities** pre-let 21 Moorfields
- **Supermarket Income REIT** bought a couple of Tesco stores
- **Ground Rents Income** addressed the issue of rising lease payments
- **Empiric Student Property** invested in Liverpool and announced investments in Bristol and Edinburgh

Managers & Fees

- **India Capital Growth**'s manager was acquired by a firm backed by KKR
- **Scottish American** handed over the reins to its deputy managers
- **Starwood European** made some changes to its management agreement
- **Witan Pacific** diversified its manager line up

Property News (continued)

- **LondonMetric** sold a retail park in Milford Haven, bought a store in New Malden and a logistics portfolio
- **Standard Life Investments Property Income** announced a number of deals
- **Alpha Real Trust** completed its H2O disposal
- **Ediston** sold an office in Reading
- **Picton** bought a property in Bristol
- **Civitas Social Housing** made a number of acquisitions
- **Derwent London** let space to the London Museum of Photography
- **Shaftesbury** bought a development in Berwick Street

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

Investment Companies announcing their full year dividends in August

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
Invesco Perpetual Select UK Equity	31/05/17	6.25	+1.6	5.38	0.86x
Invesco Perpetual Select Global	31/05/17	6.4	+6.7	5.62	0.88x
Diverse Income	31/05/17	3.0+0.4[a]	+7.1	4.02[a]	1.34x[a]
Henderson Smaller Companies	31/05/17	18.0	+20.0	19.57	1.09x

Source: Marten & Co, * unless otherwise stated

a) 3p plus a 0.4p special dividend, change and cover are calculated on the normal dividend

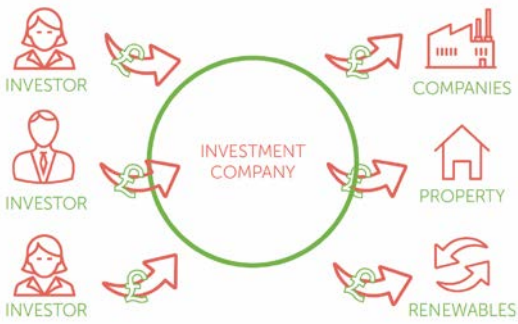
Visit www.quoteddata.com for more on these and other stories plus in-depth research on some funds, the chance to compare similar funds and basic information, key documents and regulatory news announcements on every investment company quoted in London

Research

On 30 August, we published an annual overview note on Strategic Equity Capital, ***Quality small cap focus***, that explained how the manager has been deploying the cash balances it built up on the back of events such as the takeover of e2v technologies, one of its largest investments.

On 6 September, we published an initiation note on John Laing Environmental Assets Group, ***Diverse renewables exposure***, which explains the workings of the renewables infrastructure market in some detail and describes how the fund's portfolio is much more diversified than any of its peers.

On 5 September, we held the last of our seminars on our Guide to Quoted Investment Companies. The QuotedData guide to investment companies, which aims to help investors and financial advisers better understand investment companies and help them make better informed investment decisions, is available via the link below or on our website and an updated version will be published later this year.



QuotedData

QuotedData is a trading name of Marten & Co which is authorised and regulated by the Financial Conduct Authority

123a Kings Road, London SW3 4PL

020 3691 9430

www.quoteddata.com

Registered in England & Wales number 07981621
2nd Floor Heathmans House
19 Heathmans Road, London SW6 4TJ

Edward Marten
(em@martenandco.com)
Christopher Bunstead
(cb@martenandco.com)
James Carthew
(jc@martenandco.com)
Matthew Read
(mr@martenandco.com)

IMPORTANT INFORMATION

This note was prepared by Marten & Co (which is authorised and regulated by the Financial Conduct Authority).

This note is for information purposes only and is not intended to encourage the reader to deal in the security or securities mentioned within it.

Marten & Co is not authorised to give advice to retail clients. The research does not have regard to the specific investment objectives, financial situation and needs of any specific person who may receive it.

This note has been compiled from publicly available information. This note is not directed at any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) the publication or availability of this note is prohibited.

Accuracy of Content: Whilst Marten & Co uses reasonable efforts to obtain information from sources which we believe to be reliable and to ensure that the information in this note is up to date and accurate, we make no representation or warranty that the information contained in this note is accurate, reliable or complete. The information contained in this note is provided by Marten & Co for personal use and information purposes generally. You are solely liable for any use you September make of this information. The information is inherently subject to change without notice and September become outdated. You, therefore, should verify any information obtained from this note before you use it.

Investment Performance Information: Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates September also cause the value of underlying overseas investments to go down as well as up. Marten & Co September write on companies that use gearing in a number of forms that can increase volatility and, in some cases, to a complete loss of an investment.

No Advice: Nothing contained in this note constitutes or should be construed to constitute investment, legal, tax or other advice.

No Representation or Warranty: No representation, warranty or guarantee of any kind, express or implied is given by Marten & Co in respect of any information contained on this note.

Exclusion of Liability: To the fullest extent allowed by law, Marten & Co shall not be liable for any direct or indirect losses, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note. In no circumstance shall Marten & Co and its employees have any liability for consequential or special damages.

Governing Law and Jurisdiction: These terms and conditions and all matters connected with them, are governed by the laws of England and Wales and shall be subject to the exclusive jurisdiction of the English courts. If you access this note from outside the UK, you are responsible for ensuring compliance with any local laws relating to access.

No information contained in this note shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.