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Monthly roundup | Investment companies

October 2018

Winners and losers in September

Best performing funds in price terms in September

	(%)
JPMorgan Russian Securities	7.4
Fidelity Japan	7.2
Syncona	6.6
British & American	6.3
Geiger Counter	6.2
Woodford Patient Capital	6.1
Schroder Japan Growth	5.2
Vinaland	5.0
MedicX	4.9
JPEL Private Equity	4.8

Source: Morningstar, Marten & Co

Worst performing funds in price terms in September

	(%)
Infrastructure India	(29.8)
Better Capital PCC 2012	(13.7)
JPMorgan Indian	(12.4)
Alternative Liquidity	(11.7)
Qannas	(11.0)
Aberdeen New India	(10.7)
India Capital Growth	(9.6)
Ashoka India Equity	(9.0)
Schroder Real Estate	(9.0)
Baker Steel Resources	(8.8)

Source: Morningstar, Marten & Co

Best performing funds in NAV terms in September

	(%)
Woodford Patient Capital	9.4
JPMorgan Russian Securities	8.2
Crystal Amber	5.9
Baring Emerging Europe	5.8
BlackRock World Mining	5.5
BlackRock Latin American	4.7
BlackRock Commodities Income	4.1
BlackRock Emerging Europe	4.0
Aberdeen Latin American Income	3.8
JPMorgan Brazil	3.4

Source: Morningstar, Marten & Co

Worst performing funds in NAV in September

	(%)
British & American	(56.0)
India Capital Growth	(16.6)
Ashoka India Equity	(15.0)
JPMorgan Indian	(12.3)
Aberdeen New India	(11.5)
Premier Global Infrastructure	(6.8)
Scottish Oriental Smaller Cos	(5.7)
Fundsmith Emerging Equities	(5.0)
Pacific Horizon	(4.9)
Marwyn Value Investors	(4.4)

Source: Morningstar, Marten & Co

The oil price continues to climb, which is good news for Russia, JPMorgan Russian Securities, Baring Emerging Europe and BlackRock Emerging Europe. Even though the underlying NAVs were moving higher, it is hard to explain the share price rises for the Japanese trusts, Fidelity Japan and Schroder Japan; these share prices have fallen since the month end. Syncona reported positive news on its Nighstar Therapeutics investment. British & American's share price has been divorced from reality for some time. Woodford Patient Capital wrote up the value of its Industrial Heat investment; many investors remain unconvinced of the efficacy of that company's product. Hurricane Energy continues to rise, boosting Crystal Amber. Brazilian investors are enthused about the prospect of a Bolsonaro presidency. JPEL Private Equity announced an uplift in its end June NAV.

Geron, British & American's largest investment, lost a tie-up with a larger pharmaceutical company. Infrastructure India's wind farm sale fell through but, elsewhere in India, the market was in turmoil. This was partly the result of the oil price rise; JPMorgan Indian, Aberdeen New India, India Capital Growth and Ashoka India Equity all suffered. Schroder Real Estate's share price spiked at the end of August, for no obvious reason, and this unwound in September. Premier Global Infrastructure's high gearing has been working against it as its Asian and emerging markets exposure suffers from trade war rhetoric and rising US rates. This (and its Indian exposure) has also depressed Fundsmith Emerging Equities and is a factor in the weakness of Pacific Horizon. Marwyn Value Investors has been dragged down by a fall in BCA Marketplace's share price.

Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	28 Sep (%)	31 Aug (%)
British & American	215.9	30.9
Syncona	47.4	38.3
Geiger Counter	10.6	3.2
India Capital Growth	-6.6	-13.9
Ashoka India Equity	9.2	1.9

Source: Morningstar, Marten & Co

Cheaper relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	28 Sep (%)	31 Aug (%)
LXB Retail Properties	-51.9	-37.0
Qannas	3.0	15.1
Schroder Real Estate	-10.5	-1.7
Baker Steel Resources	-25.4	-17.1
FastForward Innovations	18.9	26.9

Source: Morningstar, Marten & Co

British & American's share price has not yet responded to the collapse in the value of its largest investment. The excitement continues to build around Syncona; good news on its Nightstar Therapeutics investment helped buoy its share price. Geiger Counter's higher price might be a knock-on from the success of Yellow Cake and a rising uranium price. Sharp falls in Indian markets knocked the NAVs of India Capital Growth and Ashoka India Equity.

The woes of UK retailers have been making headlines and depressing the share price of LXB Retail. Qannas recently confirmed a drop in its NAV at the end of June. Schroder Real Estate moved back to trading at its average discount, after briefly spiking at the end of August. Baker Steel's share price has been drifting off since the middle of March. FastForward is trading at a more reasonable valuation now it has exited its cannabis investment.

Money raised and returned in September

Money raised in September

	(£m)
Trian Investors 1	270.6
BBGI SICAV	67.2
GCP Student Living	38.1
Scottish Mortgage	31.1*
Real Estate Credit Investments	23.2

Source: Morningstar, Marten & Co, *approximate value of shares at 30/09/18

Money returned in September

	(£m)
Templeton Emerging Markets	(13.3)*
NB Global Floating Rate Income GBP	(12.5)*
JPMorgan Global Convertibles Income	(8.0)*
Mercantile	(6.0)*
VinaCapital Vietnam Opportunities	(5.0)*

Source: Morningstar, Marten & Co, * approximate value of shares at 30/09/18

Trian Investors 1 is a new fund that will adopt an activist approach, targeting an, as yet unidentified, company. BBGI has identified a number of Canadian projects that it would like to invest in. GCP Student Living raised money to help finance its Scape Brighton project. Real Estate Credit Investments says it has opportunities, particularly in France and Germany, that it would like to invest in. Scottish Mortgage heads up a list of funds that are expanding to meet investor demand. This includes BB Healthcare, Finsbury Growth & Income, Edinburgh Worldwide and Allianz Technology.

In September, we said goodbye to John Laing Infrastructure (following the bid by Dalmore Capital and Equitix), EF Realisation (following a distribution of its Lonestar Resources stake) and Mithras, whose shareholders voted to approve its liquidation. The five funds listed in the table as returning cash to shareholders are the usual suspects. Templeton Emerging may have faced some selling pressure as some investors tried to switch to Mobius Investment Trust, which launched in October.

September's major news stories – from our website

Portfolio developments

- JZ Capital sells Water Treatment Industries
- Augmentum Fintech buys stakes in Monese and Unmortgage
- Hg announced an investment in BrightPay
- Greencoat Renewables agreed to acquire four wind farms in Ireland
- Riverstone Energy investment, Hammerhead Resources, secured funding of up to C$300M
- BioPharma Credit extended a loan to Amicus
- Gore Street made two further energy storage investments
- Tufton Oceanic invested US$12.9m in a Handysize Bulk Carrier
- Woodford Patient Capital wrote up the value of Industrial Heat
- Worldwide Health added to positions in Mylan and ThemoFisher

Corporate news

- Hansteen and Warehouse REIT deal collapses
- Phaunos Timber thought it might get a new offer from Catchmark Timber Trust but Stafford topped up its bid.
- Miton Global Opportunities rejigged its realisation opportunity
- John Laing Environmental Assets launched a fundraise
- Triple Point Social Housing joined the queue for extra cash
- EF Realisation proposed wind-up terms
- Lazard World Trust Fund lost its continuation vote
- AXA Property Trust got a reprieve

Property news

- Mucklow (A&J) says industrial property prices are higher than they can justify
- Primary Healthcare Properties expanded in Ireland
- Regional REIT reported on a disposal and on letting news
- LondonMetric sold Launceston retail park
- Residential Secure Income invested in a retirement homes portfolio
- Unite disposed of 14 properties for £180.5 million
- RDI REIT completed a few transactions
- AEW Long Lease invested in units in Kent
- NewRiver REIT agreed to run Canterbury's shopping centre
- PRS REIT bought two sites and agreed to buy a further three
- Tritax EuroBox acquired a distribution centre in Barcelona
- Tritax Big Box exchanged contracts on a development in Merseyside

Managers and fees

- Henderson European Focus Trust got a new co-fund manager

Visit www.quoteddata.com for more on these and other stories plus in-depth analysis 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

Income

Investment companies announcing their full year dividends in September

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
GCP Student Living	30/06/2018	5.95[a]	3.5	4.0	0.7
Mid Wynd International	30/06/2018	5.55[b]	11.0	7.1	1.3
Crystal Amber	30/06/2018	5.00	unchanged	3.1	0.6
Ruffer	30/06/2018	1.80	-30.8	1.8	0.6
AEW UK Long Lease REIT	30/06/2018	3.25[c]	unchanged	2.7	0.8
JPMorgan Global Growth & Inc	30/06/2018	12.16[d]	2.96	4.2	0.3
Aberdeen Frontier Markets	30/06/2018	0.01[e]	0.0	0.0	1.2
SQN Secured Income	30/06/2018	6.30	-1.2	5.3	0.8
Murray Income Trust	30/06/2018	33.25[f]	1.5	33.6	1.0
New Star	30/06/2018	0.80	166.7	1.2	1.5
City of London	30/06/2018	17.70	6.0	18.7	1.1
Jupiter UK Growth	30/06/2018	7.00	0.0	7.9	1.1
Sanditon	30/06/2018	0.50	-44.4	0.6	1.3
Gulf Investment Fund	30/06/2018	0.30[g]	unchanged	10.0	33.2
GRIT	30/06/2018	12.19[h]	1.0	14.2	1.2
Bluefield Solar Income	30/06/2018	7.43	2.5	9.67	1.3
Supermarket Income REIT	30/06/2018	5.50[i]	3.2	3.8	0.7

* unless otherwise specified

a) Dividends declared of 5.95p were 67% covered by adjusted EPS, with the Company expecting dividends to be fully covered by earnings when the portfolio is fully operational

b) The total return for the year ended 30 June 2018 was a gain of 53.34 pence per share, comprising a revenue gain of 7.14 pence per share and a capital gain of 46.20 pence per share.

c) Results from IPO to 30 June.

d) Dividend cover is only 0.3. However, capital makes up the rest.

e) Dividends in US$ are 1 cent (0.762p) per share

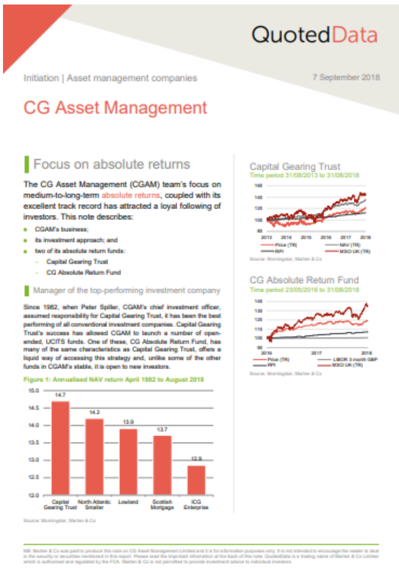
f) Last year MUT increased the dividend by less than the increase in earnings per share as we felt that there was a temporary boost to revenues received from sterling weakness and were unsure of the portfolio's ability to sustain increases from special dividends and option revenue. This proved prudent with earnings per share in the year to 30 June 2018 falling to 33.60p from 34.90p, still enough to cover our dividend increase to 33.25p and add a little to our revenue reserves.

g) In US cents, Shareholders received a dividend of 3.0 cents per share which was paid on 9 February 2018 to ordinary shareholders on the register as at 5 January 2018. The Board recommend to shareholders a dividend of 3 cents a share. Subject to shareholder approval at the forthcoming Annual General Meeting, the dividend will be paid on 21 December 2019 with a record date of 16 November and an associated ex-date of 15 November 2018, the last day for currency elections will be 30 November 2018.

h) In US cents

i) Results from IPO to 30 June; Dividends of 5.5p declared for the period met target, with dividend target revised higher (as previously announced) by 3.2% to a quarterly 1.419p. One of SUPR's core objectives is to deliver a high-quality, low-risk income stream to shareholders. SUPR declared four quarterly interim dividends totalling 5.5 pence per share for the Period, fully achieving the objectives SUPR set out at the time of the July 2017 IPO. For the period from September to December 2018, SUPR are targeting a 3.2% increase in the quarterly dividend, resulting in a dividend target of 5.63 pence per share for the 2018/19 financial year.

Publications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Initiation | Asset management companies

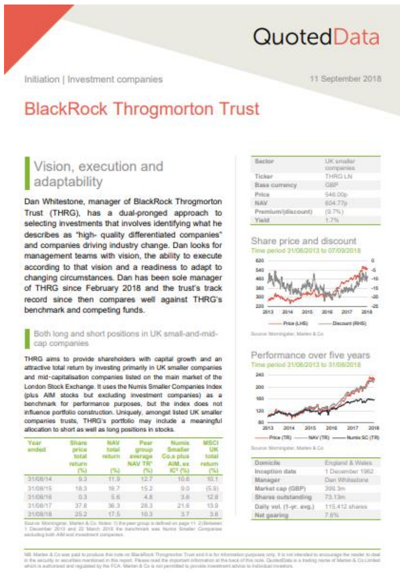
7 September 2018

CG Asset Management

Focus on absolute returns

We published our initiation note on CG Asset Management, highlighting its focus on medium-to-long-term absolute returns and excellent track record. We include sections on Capital Gearing Trust and CG Absolute Return Fund.

We also published an initiation note on BlackRock Throgmorton Trust – Vision, execution and adaptability. THRG aims to provide shareholders with capital growth and an attractive total return by investing primarily in UK smaller companies and mid-capitalisation companies.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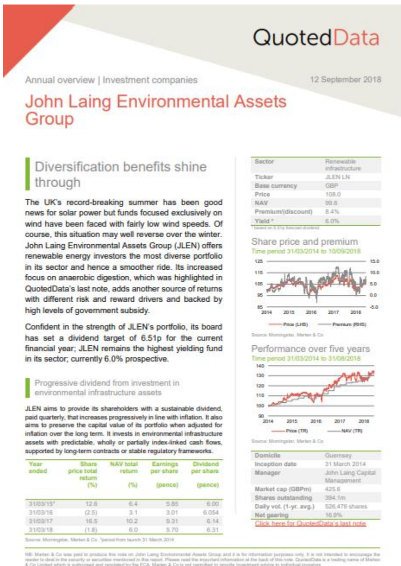
Initiation | Investment companies

11 September 2018

BlackRock Throgmorton Trust

Vision, execution and adaptability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Annual overview | Investment companies

12 September 2018

John Laing Environmental Assets Group

Diversification benefits shine through

Our annual overview of John Laing Environmental Assets talks about the benefits that derive from having a diversified portfolio of environmental infrastructure assets.

Our IPO note on Ceiba Investments describes the workings of this existing Cuban property fund that is seeking to list in London.


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IPO note | Investment companies

17 September 2018

CEIBA Investments

Unique access to Cuba


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Initiation | Investment companies

4 October 2018

Aberdeen New Dawn

Market setback creates opportunities

Our initiation note on Aberdeen New Dawn describes the opportunities that its manager sees to add to quality stocks at attractive values in current market volatility.

Our annual overview note on Henderson Diversified Income seeks to explain why its managers think we are close to the top of this economic cycle but why inflation may not be a problem.


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Annual overview | Investment companies

4 October 2018

Henderson Diversified Income Trust

'Winter is coming'

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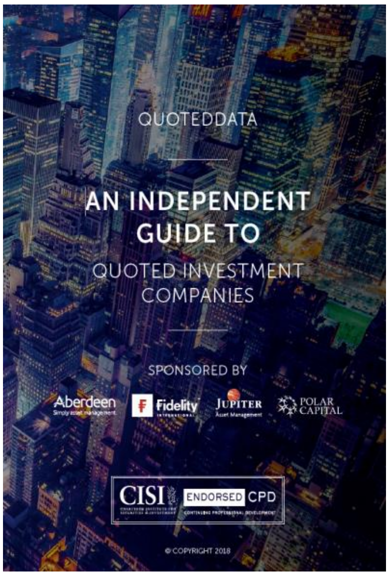

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IMPORTANT INFORMATION