

May 2021

Monthly roundup | Investment companies

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Winners and losers in April

It was another strong month for commodity funds, which have led the way in market return terms so far this year (see [Appendix 1](#) for a breakdown of how all the sectors have performed this year). Gold had a strong month, following a relatively subdued few months. UK smaller company funds remained very popular, with the ongoing success of the vaccine rollout emphasised by no apparent ill-effects, to date, from the re-opening measures carried out. Elsewhere, the very unfortunate spiralling in cases across India saw capital removed from that country.

April's median total share price return was 4.4% (the average was 4.7%) which compares with an increase of 1.5% in March.

Readers interested in the most recent briefings from the industry can click [here](#) to access our economic and political roundup.

Best performing sectors in April 2021 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/04/21 (%)	Median sector market cap 30/04/21 (£m)	Number of companies in the sector
Commodities & natural resources	9.7	3.9	(0.4)	96.3	9
UK smaller companies	9.6	8.0	(8.0)	140.3	24
Global smaller companies	9.1	4.3	(3.6)	1,425.4	5
Property - Europe	8.9	0.0	(2.8)	301.1	7
European smaller companies	8.3	7.7	(9.2)	605.9	4

Source: Morningstar, Marten & Co. Note: inclusive of sectors with at least two companies. Note: many alternative asset sector funds release NAV performance on a quarterly basis

Worst performing sectors in April 2021 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/04/21 (%)	Median sector market cap 30/04/21 (£m)	Number of companies in the sector
India	(3.7)	(2.1)	(13.2)	212.3	4
Renewable energy infrastructure	(1.2)	0.0	5.2	454.6	16
Royalties	(0.7)	(0.2)	5.0	780.8	2
Property - rest of world	(0.4)	0.0	(45.9)	44.4	4
Financials	0.0	0.0	0.0	279.2	3

Source: Morningstar, Marten & Co. Note: inclusive of sectors with at least two companies. *many alternative asset sector funds release NAV performance on a quarterly basis

Winners and losers continued...

Best performing funds in total NAV (LHS) and price (RHS) terms over April 2021

Fund	Sector	(%)	Fund	Sector	(%)
Golden Prospect Precious Metal	Commodities	11.7	JZ Capital Partners	Flexible Investment	57.4
JPMorgan Smaller Companies	UK Smaller Companies	11.3	Electra Private Equity	Private Equity	32.7
Gresham House Strategic	UK Smaller Companies	11.2	Globalworth Real Estate	Property - Europe	25.2
BlackRock Throgmorton	UK Smaller Companies	10.9	Golden Prospect Precious Metal	Commodities	23.2
CIP Merchant Capital	Flexible Investment	10.7	KKV Secured Loan	Leasing	20.2
CQS Natural Resources G&I	Commodities	10.7	Standard Life Inv. Prop. Income	Property - UK Commercial	20.0
Standard Life UK Smaller Co.	UK Smaller Companies	10.5	NB Private Equity	Private Equity	19.8
Chelverton UK Dividend	UK Equity Income	10.4	Aberdeen Smaller Companies Inc.	UK Smaller Companies	16.6
European Assets	European Smaller Companies	10.4	River and Mercantile UK Micro Cap	UK Smaller Companies	16.6
Aberdeen Smaller Companies Income	UK Smaller Companies	9.9	Henderson Opportunities	UK All Companies	16.5

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/21

Worst performing funds in total NAV (LHS) and price (RHS) terms over April 2021

Fund	Sector	(%)	Fund	Sector	(%)
Aberdeen New India	India	(4.4)	Schroder UK Public Private	Growth Capital	(15.0)
JPMorgan Indian	India	(4.2)	LMS Capital	Private Equity	(12.7)
Aberdeen New Thai	Country Specialist	(3.5)	Jade Road Investments*	Growth Capital	(8.9)
Schroder Japan Growth	Japan	(3.3)	Crystal Amber	UK Smaller Companies	(8.7)
Aberdeen Japan	Japan	(3.1)	Symphony International	Private Equity	(8.5)
Fidelity Japan	Japan	(3.0)	Livermore	Flexible Investment	(8.2)
Biotech Growth	Biotechnology & Healthcare	(2.1)	Syncona	Biotechnology & Healthcare	(6.5)
Nippon Active Value	Japanese Smaller Companies	(1.9)	RTW Venture	Biotechnology & Healthcare	(6.1)
CC Japan Income & Growth	Japan	(1.6)	Bluefield Solar Income	Renewable Energy Infrastructure	(5.3)
Scottish Investment Trust	Global	(1.5)	JPMorgan Indian	India	(4.9)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/21. *formerly Adamas Finance Asia

Golden Prospect Precious Metals benefitted as gold sprung back to life over April, following a quiet few months. CQS Natural Resources Growth and Income also saw a higher NAV return as OPEC+ decided to maintain its plans to ease oil output cuts for the next three months due to increasing demand. But UK Smaller Companies trusts dominated the table in April with JPMorgan Smaller Companies, Gresham House Strategic and BlackRock Throgmorton each returning more than 10% for the month.

Six of the 10 best NAV performers were UK strategies, continuing what has been one of the year's main trends to date. In many cases, prices did not keep pace with the NAV moves, leading to some discount widening. US real estate and micro-cap-focused **JZ Capital Partners** is selling down its portfolio and paying down debt. Its end February NAV (announced on 13 April) was up 13.6% and this seems to have stimulated some buying interest. **Electra Private Equity**'s shares ended the month sharply up and are now above their pre-pandemic level. The fact that the premium jumped to 40.8% signals that a large uplift in NAV is anticipated. Electra's core assets include TGI Fridays and Hotter Shoes. The former is benefiting from a relaxation in COVID-19 restrictions and the latter is continuing to build on its direct-to-consumer shift. Electra also profited from the sale of its holding in UK manufacturer Sentinel, which it first invested in ten years ago, that sale adds about 30p to the NAV.

Aberdeen New India and **JPMorgan Indian** were the worst performers in April, in NAV terms, as the country struggles to manage the spread of the coronavirus. However, five of the 10 biggest losers for the month were Japanese trusts, including **Schroder Japan Growth** and **Aberdeen Japan**. While not as severe as the number of cases in India, investors are cautious amid the continuing concerns about the spike in daily infections.

Schroder UK Public Private was hit by the write-down of the value of its Rutherford Health investment. It has had some better news since, however. **Symphony International**'s restaurant and hotel investments have struggled in the face of the pandemic. Major shareholder AVI (managers of AVI Global) have vocalised their frustration with the company. **Bluefield Solar** was affected by further reductions in long term power price forecasts as well as the planned increase in corporation tax.

Moves in discounts and premiums

More expensive (LHS) and cheaper (RHS) relative to NAV

Fund	Sector	30 Apr (%)	31 Mar (%)	Fund	Sector	30 Apr (%)	31 Mar (%)
Electra Private Equity	Private Equity	40.8	6.1	Schroder UK Public Private	Growth Capital	(10.1)	5.7
JZ Capital Partners	Flexible Investment	(57.8)	(73.2)	Livermore	Flexible Investment	(33.5)	(24.4)
Globalworth Real Estate	Property - Europe	(14.9)	(29.7)	Syncona	Biotechnology & Healthcare	16.0	24.9
Standard Life Inv. Prop. Inc.	Property - UK Commercial	(11.3)	(24.8)	Bluefield Solar Income	Renewable Energy Infrastructure	4.9	13.4
NB Private Equity	Private Equity	(20.2)	(33.2)	LMS Capital	Private Equity	(44.0)	(35.8)

Source: Morningstar, Marten & Co. Note: excludes alternative asset funds where there was no recorded change to the NAV over the month

We discussed **Electra Private Equity**, **JZ Capital Partners** and **Schroder UK Public Private** in the 'winners and losers' section above. Shares in **Globalworth Real Estate**, a major office-space investor in Poland and Romania, reacted favourably following the announcement that two of its major shareholders, CPI and Aroundtown, who own over 50% of the company, were planning a bid for it. **Standard Life Investments Property Income** continues to benefit from the economic re-opening. It reported a 2.5% like-for-like increase in the value of its portfolio over the first quarter of the year. **NB Private Equity** announced a decent set of results in the month and that seems to have benefited its rating.

Syncona's premium narrowed, sentiment has not been helped by the recent announcement that one of its holdings, Gyroscope Therapeutics, was putting its planned IPO on hold. It was a rare bad month for the renewables sector, with market declines led by **Bluefield Solar Income** following its NAV fall.

Money raised and returned over April

Money raised (LHS) and returned (RHS) over April in £m

Fund	Sector	£m raised	Fund	Sector	£m returned
Gore Street Energy Storage	Renewable Energy Infrastructure	135.0	BlackRock Frontiers	Global Emerging Markets	(64.2)*
Smithson	Global Smaller Companies	59.4*	Fair Oaks Income 2021	Debt - Structured Finance	(29.6)*
City of London	UK Equity Income	30.3*	River and Mercantile UK Micro Cap	UK Smaller Companies	(18.3)*
Monks	Global	28.0*	Third Point Investors	Hedge Funds	(15.0)*
Capital Gearing	Flexible Investment	25.2*	Witan	Global	(7.4)*

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/21. *Note: based on the approximate value of shares at 30/04/21

Approximately £502m of net new money was raised by existing funds (excluding those with market caps below £15m at 30/04/21) over April. **Gore Street Energy Storage** brought in £135m - this has been seen as a game-changer for the company as it almost doubles the size of its market cap. The proceeds are to be deployed principally towards its 1.3GW development pipeline, including the near-term potential acquisition of a 80MW project. The raise moved the fund much closer in size to its most obvious peer – **Gresham House Energy Storage**. Elsewhere, **Smithson**, **City of London**, **Monks**, and **Capital Gearing** each raised more than £20m through day-to-day issuance in response to demand.

Returns of capital were led by **BlackRock Frontiers**, as it completed its tender offer, **Fair Oaks Income**, as holders of 13.4% of the fund elected to go into a realisation pool rather than rollover into an ongoing fund, **River and Mercantile UK Micro Cap**, which once again returned the assets that had built up in the fund over £100m, and **Witan**.

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Major news stories and QuotedData views over April

Portfolio developments

- **VH Global** made its first investment
- **Menhaden** was let down by its wide discount
- **Electra** sold Sentinel
- **Schroder British Opportunities** invested in Cera Care
- **Hg Capital** invested in Auvesy
- **BBGI Global Infrastructure** invested in Tower Hamlets
- **Aquila** bought a Portuguese solar plant
- **Henderson High Income** was held back by gearing
- **North American Income** delivered a healthy revenue despite Covid
- **Invesco Perpetual UK Smaller Companies** was hit by dividend expectations
- **BB Biotech** shared its portfolio changes in Q1
- **Dunedin Income Growth** considered a new sustainable objective

Property news

- **Helical** collected 92.9% of rent during COVID
- **NewRiver REIT** mulled listing pubs business
- **Phoenix Spree Deutschland** was boosted by the Berlin rent freeze ruling
- **Tritax Big Box** celebrated a £90m acquisition
- **AEW UK REIT** won its legal battle over unpaid rent
- **British Land** moved into logistics development
- **Impact Healthcare REIT** acquired two care homes
- **BMO Real Estate** reported positive rent collection rates

Corporate news

- **AVI** said it was looking to unseat Symphony International's board
- **Investec** proposed that BH Global and BH Macro combine
- **US Solar** launched a fundraise
- **Hipgnosis** became an investment trust
- New **Invesco** merger proposals were announced
- **Polar Capital Global Financials** planned a C share issue
- **Gore Street Energy Storage** completed a game-changing capital raise of £135m
- **M&G Credit Income** introduced a zero discount policy
- **Third Point** looked at ways to tackle its discount
- **Merchants** grew its dividend for a 39th year
- A new shipping trust may float – **Taylor Maritime**

Managers and fees

- **Alliance Trust** announced stock picker changes
- **Irish Residential Properties REIT** highlighted plans to internalise its management team

QuotedData views

- Indian funds take stock – 30 April
- Rent Wild West needs a solution – 30 April
- Backing the future – 23 April
- Rent judgment good news for REITs – 23 April
- Money worries – 16 April
- British Land's bold move too late? – 16 April
- Shackles to come off in battle for unpaid rent – 9 April
- Go Green? – 9 April
- Go West! – 1 April

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

Upcoming events

Have you signed up for QuotedData's Spring webinar series? – 12th, 19th and 26th May

Here is a selection of what is coming up. Please refer to the Events section of our website for updates between now and when they are scheduled:

- Aberdeen Asian Income AGM 2021, [12 May](#)
- Nippon Active Value Fund AGM 2021, [12 May](#)
- Temple Bar AGM 2021, [13 May](#)
- JPMorgan American AGM 2021, [14 May](#)
- Baillie Gifford Shin Nippon AGM 2021, [14 May](#)
- Fidelity Japan AGM 2021, [18 May](#)
- Riverstone Credit Opportunities Income AGM 2021, [19 May](#)
- Henderson High Income AGM 2021, [24 May](#)
- Sustainable & Social Investing Conference, [21 May](#)
- North American Income AGM 2021, [1 June](#)
- Fidelity Japan AGM 2021, [18 May](#)
- Menhaden AGM 2021, [3 June](#)
- Martin Currie Portfolio AGM 2021, [9 June](#)
- Aquila European Renewables AGM 2021, [9 June](#)
- Dunedin Income Growth AGM 2021, [10 June](#)
- Aberdeen New Thai AGM 2021, [17 June](#)
- Axiom European Financial Debt AGM 2021, [19 July](#)

Interviews

Have you been listening to our weekly news round-up shows? Every Friday at 11 am, we run through the more interesting bits of the week's news and we usually have a special guest or two answering questions about a particular investment company.

Friday	The news show	Special Guest	Topic
8 January	Review of 2020	Andrew McHattie	Review of 2020
15 January	GVP, SUPP, SBO	James Robson	RM Secured Lending
22 January	SONG, JGC, RMMC	Adam Khanbhai	Strategic Equity Capital
29 January	SLPE, FSFL, RSE	Philip Kent	GCP Infrastructure
5 February	RHM, IPOs	Dean Orrico	Middlefield Canadian Income
12 February	RTW, UKW, SEC, GVP	Alan Gauld	Standard Life Private Equity Trust
19 February	JLEN, KKV, BH Global, EBOX/BOXE	Matthew Tillett	The Brunner Investment Trust
26 February	LWDB, TIGT, BRFI, RDI	Nalaka De Silva	Aberdeen Diversified Inc. & Growth
5 March	Review of February, CMHY, SEC, GSF, APAX	Nick Brind	Polar Capital Global Financials
12 March	HOME, LXI, BBOX	Stuart Young	Phoenix Spree Deutschland
19 March	CSH, APX, SUPR	Richard Moffitt	Urban Logistics REIT
26 March	MATE, CHRY, DGI9, SYNC	Ross Teverson	Jupiter Emerging and Frontier Income
9 April	Review of March, CBA, SEC, SEIT, SUPP	Neil Hermon	Henderson Smaller Companies
16 April	BLND, PSDL, SBO	Hugo Ure	Troy Income & Growth

23 April	AEWU, AIF, GSF, MNTN	James Harries	Securities Trust of Scotland
30 April	AGT, DIG, HOME, GWiini	Nick Montgomery	Schroder Real Estate Investment Trust
7 May	JLG, JLIF, SIGB, SMP	Helen Steers	Pantheon International
Coming up			
14 May	OIT	Stuart Widdowson	Odyssey
21 May	JPS	Georgina Brittan	JPMorgan Smaller Companies
28 May	HONY	Matthew Potter	Honeycomb
11 Jun	RGL	Stephen Inglis	Regional REIT

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Baillie Gifford's track record as long-term, supportive shareholders makes us attractive to a new breed of capital-light businesses. And our committed approach means we can enjoy a better quality of dialogue with management teams at transformational organisations such as Alibaba, Dropbox and Airbnb. So it is a case of who you know as well as what you know. Over the last five years the **Scottish Mortgage Investment Trust** has delivered a total return of 136.5% compared to 74.9% for the sector**.

Standardised past performance to 31 December**:

	2014	2015	2016	2017	2018
Scottish Mortgage	21.4%	13.3%	16.5%	41.1%	4.6%
AIC Global Sector Average	8.8%	10.9%	22.6%	24.1%	-4.9%

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 the investment in the fund and any income from it. Investors may not get back the amount invested. The Trust's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

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INVESTOR

Temple Bar Investment Trust

Investment companies | Update | 23 April 2021

Just getting started

RWC Partners took on responsibility for Temple Bar Investment Trust (TMPL) on 1 November 2020, and its appointment has coincided with a remarkable improvement in the fortunes of this UK equity income trust. Dramatic outperformance, a narrowing of the discount and a buzz around the resurgence of value-style investing mean that RWC has got off to a great start.

However, the managers think that this is just the beginning of TMPL's turnaround. They note that value-style investing often outperforms for an extended period following a shock to markets such as the one inflicted by COVID-19. Although the news is better, the easing of lockdowns has only just begun. The considerable economic stimulus being injected by governments offers the prospect of a synchronised global economic recovery. TMPL could be set for a great start.

Sector	UK equity income
Ticker	TMPL.LM
Base currency	GBP
Price	1,138.5p
NAV	1,143.5p
Premium/discount	(0.4%)
Yield	3.4%

RWC took on responsibility for the management of TMPL's portfolio with effect from 1 November 2020

Good news on vaccinations was a game-changer for TMPL, and value investing

Value tends to outperform for some time after severe shocks to markets

UK equity income and capital growth

TMPL aims to provide growth in income and capital to achieve a long-term total return greater than its benchmark (the FTSE All-Share Index), through investment primarily in UK equities. The company's policy is to invest in a broad spread of securities, with typically the majority of the portfolio selected from the constituents of the FTSE 350 Index.

Marten & Co was paid to produce this note on Temple Bar Investment Trust Plc and it is for information purposes only. It is not intended to encourage the reader to invest in the security or securities mentioned in the report. Please read the important information at the back of the 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 (except as Retail Clients under the rules of the Financial Conduct Authority).

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Bluefield Solar Income Fund (BSIF) is growing actively, supported by a wider mandate. Shareholders voted overwhelmingly in July 2020 in favour of proposals to expand the fund's remit beyond solar. BSIF will apply what has been a very successful model since its launch in 2013 to the complementary technologies of wind and hydroelectric power. The expanded mandate also includes battery storage. A focus on optimising its portfolio over recent years, excellent conditions for solar generation and prolonging the benefit of 2018's higher power prices through power purchase agreements (PPAs) – see page 11) have seen BSIF deliver a consistently covered dividend and sector-leading total net asset value (NAV) returns over its lifespan.

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INVESTOR

Bluefield Solar Income Fund

Investment companies | Annual overview | 20 April 2021

On the offensive

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The board sees the expanded remit as an appropriate next step in response to shareholders' appetite for asset growth. BSIF is well-positioned as the momentum behind decarbonisation of the global economy has gathered pace. Solar remains central to the fund, with 146.7% of capacity added since August 2020.

Sector	Renewable infrastructure
Ticker	BSIF.LM
Base currency	GBP
Price	126.5p
NAV	117.1p
Premium/discount	11.7%
Yield	6.1%

*Last published NAV, as at 31 December 2020

Renewables is seen as a cornerstone in the UK's economic recovery that will take place over the next several years.

BSIF has 88% of its revenue fixed until December 2021.

Wind has a complementary generation profile to solar and the regulated revenues attached to it help lower BSIF's exposure to power prices.

Evolving beyond large-scale UK solar assets

BSIF aims to pay shareholders an attractive return, principally in the form of regular sector-leading income distributions. Historically, this has been achieved by investing in a portfolio of large-scale UK-based solar-energy infrastructure assets. BSIF can now augment its solar portfolio with minority investments in other renewable technologies and energy storage assets.

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CQS New City High Yield Fund

Investment companies | Annual overview | 15 April 2021

A short-term opportunity?

Reflecting sustained strong demand for its strategy, CQS New City High Yield Fund (NCYF) has traded at an average premium to net asset value of 4.9% over the last five years. Whilst the discount to net asset value spiked out in the depths of last year's market trough, it quickly bounced back and NCYF was until very recently trading at premiums in excess of 5%. However, it has drifted out to trade around par since February's modest steepening of the yield curve (where the yield curve steepens, longer term interest rates rise relative to shorter-term interest rates).

Overall, this steepening should be positive for the bulk of NCYF's financial holdings, which make up around 50% of its portfolio. In addition, with an improving outlook for 2021 as COVID restrictions ease, there is scope for recovery in some of NCYF's other holdings. We think the current lower than average rating of the fund may prove to be short-lived and may offer an opportunity.

Sector	Debt - Loans & Bonds
Ticker	NCYF.LM
Base currency	GBP
Price	53.85p
NAV	51.79p
Premium/discount	4.0%
Yield	6.3%

NCYF's premium narrowed following the yield curve steepening in February.

NCYF's premium is still below its longer-term average.

With an improving outlook, there is scope for recovery in some of NCYF's other holdings that have been impacted by COVID.

High-dividend yield and potential for capital growth

NCYF aims to provide investors with a high-dividend yield and the potential for capital growth by investing mainly in high-yielding fixed interest securities. These include, but are not limited to, preference shares, loan stocks, corporate bonds (convertible and/or redeemable) and government stocks. The company also invests in equities and other income-paying securities. The manager has a strong focus on capital preservation and is conservative in his approach to growing NCYF's capital.

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CQS Natural Resources Growth and Income (CYN) has provided exceptionally strong absolute and relative performance during the last 12 months, and has markedly outperformed its commodities and natural resources peer group. A key driver of this has been the managers' preference for base metals, with significant exposure to copper being a major contributor.

QuotedData
BY MARTEN & CO

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CQS Natural Resources Growth and Income

Investment companies | Annual overview | 16 April 2021

Burnished copper

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With supply struggling to respond to resurgent demand for most major commodities, the managers believe that many of these markets are structurally short. An increased focus on meeting carbon reduction targets and replacing ageing infrastructure is commodity intensive. Despite recent strong performance, resources companies look attractively valued on a forward earnings basis and the managers believe the commodity cycle has much more to offer.

Sector	Commodities and natural resources
Ticker	CYN.LM
Base currency	GBP
Price	146.85p
NAV	127.55p
Premium/discount	14.7%
Yield	3.3%

CYN's portfolio and approach are radically different to those of the large mining funds.

CYN's discount has broadly been on a narrowing band, since mid-2018.

CYN has markedly outperformed its peer group averages, in terms of both NAV and share price total return, during the last 12 months.

Capital growth and income from mining & resources

CYN aims to provide investors with capital growth and income by investing in a portfolio that predominantly comprises mining and resource equities, as well as mining, resource and industrial financial securities. The fund income securities include, but are not limited to, preference shares, loan stocks, corporate bonds (convertible and/or redeemable) and government bonds.

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Montanaro UK Smaller Companies
Investment companies | Update | 16 April 2021

Long COVID effect requires a focus on corporate health

In absolute terms, Montanaro UK Smaller Companies Trust (MTU) has been generating healthy returns for its shareholders; both the share price and the NAV are close to all-time highs. However, recently MTU has given up some of its earlier outperformance. As vaccines are rolled out, the end of lockdowns is finally in sight and we are all eager to get back to 'normal'. Last November, the news that a number of vaccines were effective triggered a surge in stock markets and a sharp rotation from high quality and growth stocks into riskier and/or 'value-style' stocks. This did not suit MTU's investment approach.

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MTU's manager, Charles Montanaro, is convinced that this is likely to be a short-term setback. He believes that the long-term economic effects of COVID will put a severe strain on companies with unsustainable business models and some may fail. MTU will stick with its quality and growth focus.

UK small cap with a bias to quality

MTU aims to achieve capital appreciation through investing in small quoted companies listed on the London Stock Exchange or traded on AIM and to outperform its benchmark, the Nums Smaller Companies Index (including investment companies).

Sector	UK smaller companies
Tracker	MTU LK
Base currency	GBP
Price	168.7p
NAV	168.2p
Premium/discount	(0.2%)
Yield	3.6%

MTU's dividend is another source of comfort for investors. It is one of the highest in the peer group and it is growing.

Sustainability is embedded within the culture of the management company.

The manager's outlook is positive overall but Charles cautions investors that the economic effects of the virus will be long-lasting.

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With the roadmap out of lockdown and into economic recovery in place, Standard Life Investments Property Income Trust (SLI) has turned its attention to future-proofing its portfolio. This has put environmental, social and governance (ESG) at the forefront of its decision-making process for asset disposals and acquisitions, with longevity of income considered critical to the process. Identifying lasting trends that have developed and accelerated during the pandemic, such as the growth in online retailing and how the office will be used, and its impact on future tenant demand for space, has become mission critical.

Standard Life Investments Property Income Trust
REITs | Update | 13 April 2021

Focus on tomorrow's world

With the roadmap out of lockdown and into economic recovery in place, Standard Life Investments Property Income Trust (SLI) has turned its attention to future-proofing its portfolio. This has put environmental, social and governance (ESG) at the forefront of its decision-making process for asset disposals and acquisitions, with longevity of income considered critical to the process. Identifying lasting trends that have developed and accelerated during the pandemic, such as the growth in online retailing and how the office will be used, and its impact on future tenant demand for space, has become mission critical.

Rent collection figures of 93% for 2020 and a 3.3% valuation uplift in the final quarter of 2020 reflect the resilient nature of its portfolio. Further growth is expected to come from savvy asset recycling.

Commercial UK property exposure

SLI aims to generate an attractive level of income, along with the prospect of both income and capital growth, by investing in a diversified portfolio of UK commercial property assets, primarily in three principal commercial property sectors: industrial, office and retail. SLI uses gearing with the aim of enhancing returns, with the current loan-to-value (LTV) ratio at 23.0%.

Sector	Property - UK Commercial
Tracker	SLI LK
Base currency	GBP
Price	63.6p
NAV	61.3p
Premium/discount	(21.8%)
Yield	4.6%

Asset disposals leave it well positioned for accretive acquisitions in future-proof sub-sectors.

Property's ESG credentials at heart of decision-making.

Strong rent collection reflects resilience of current portfolio.

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Guide

Our independent guide to quoted investment companies is an invaluable tool for anyone who wants to brush up on their knowledge of the investment companies' sector. Please register on www.quoteddata.com if you would like it emailed to you directly.



Appendix 1 – median performance by sector, ranked by YTD total price returns

YTD Rank	Sector	Share price TR YTD (%)	NAV TR YTD (%)	Share price TR Apr. (%)	NAV TR Apr. (%)	Disc. 30/04/21 (%)	Disc. 31/03/21 (%)	Change in disc. (%)	Market cap 30/04/21 (£m)	Number of companies in the sector
1	Commodities & Natural Resources	22.8	0.2	9.7	3.9	(0.4)	(2.7)	2.3	96.3	9
2	Property - UK Commercial	16.5	1.3	6.8	0.0	(12.7)	(17.1)	4.4	203.0	16
3	North America	14.6	13.4	5.8	3.4	(4.6)	(4.9)	0.4	271.6	6
4	Property - UK Logistics	14.4	0.0	6.0	0.0	13.1	6.7	6.4	3,272.9	1
5	UK Equity & Bond Income	14.3	10.9	8.2	6.0	(8.2)	(9.5)	1.3	137.5	2
6	UK Smaller Companies	14.2	16.5	9.6	8.0	(8.0)	(10.1)	2.1	140.3	24
7	North American Smaller Companies	14.1	12.6	4.5	3.5	(2.8)	(3.3)	0.5	228.6	2
8	UK All Companies	11.1	10.9	5.9	6.0	(2.7)	(3.3)	0.6	244.1	11
9	Debt - Structured Finance	10.9	6.0	1.3	2.1	(8.9)	(11.4)	2.5	147.9	7
10	Private Equity	10.6	1.7	5.6	0.0	(20.2)	(22.9)	2.7	280.6	21
11	Property - UK Residential	10.3	1.1	5.8	0.0	(0.0)	(3.9)	3.9	271.8	9
12	Asia Pacific Smaller Companies	10.1	10.3	2.8	2.2	(11.0)	(10.6)	(0.4)	352.4	3
13	UK Equity Income	9.9	10.2	4.5	4.9	(2.2)	(1.4)	(0.8)	229.0	26
14	Global Equity Income	9.9	8.1	3.6	3.0	(1.6)	(0.3)	(1.3)	327.3	7
15	European Smaller Companies	9.2	11.3	8.3	7.7	(9.2)	(11.3)	2.1	605.9	4
16	Europe	9.0	8.4	5.6	4.5	(7.9)	(9.8)	1.9	429.0	8
17	Flexible Investment	8.4	5.4	3.1	1.1	(2.2)	(3.0)	0.8	90.9	23
18	Country Specialist	7.7	13.6	1.9	7.1	(12.7)	(13.5)	0.8	279.0	5
19	Property - Europe	6.7	0.0	8.9	0.0	(2.8)	(6.6)	3.8	301.1	7
20	Infrastructure Securities	5.9	2.9	6.3	0.8	(1.0)	(6.0)	5.0	109.3	2
21	Debt - Direct Lending	5.6	1.3	1.3	0.0	(4.4)	(8.5)	4.1	101.6	10
22	Debt - Loans & Bonds	5.4	3.4	4.0	1.6	(2.8)	(5.8)	3.1	129.3	15
23	Global	4.8	6.1	5.8	3.7	(4.4)	(5.1)	0.7	424.1	18
24	Property - UK Healthcare	4.6	2.0	1.4	0.0	4.6	4.5	0.1	480.6	2
25	Global Emerging Markets	4.2	6.4	2.3	1.9	(9.1)	(7.4)	(1.7)	281.2	14
26	Global Smaller Companies	3.6	10.5	9.1	4.3	(3.6)	(7.6)	4.0	1,425.4	5
27	Asia Pacific	3.2	4.6	2.9	2.0	(7.1)	(7.9)	0.8	595.4	6
28	India	2.7	4.1	(3.7)	(2.1)	(13.2)	(12.0)	(1.2)	212.3	4
29	Technology & Media	2.6	2.7	7.7	4.4	37.5	33.3	4.2	3,227.9	3
30	Property - Debt	2.2	2.0	1.2	0.0	(12.5)	(13.6)	1.1	214.7	4
31	Environmental	2.0	3.6	1.8	1.6	0.5	(0.5)	1.1	69.9	4
32	Hedge Funds	2.0	1.7	0.0	0.0	(15.0)	(18.9)	3.9	54.7	11
33	China / Greater China	1.7	1.7	6.5	3.8	3.3	(1.1)	4.3	563.9	3

Rank	Sector	Share price TR YTD (%)	NAV TR YTD (%)	Share price TR Apr. (%)	NAV TR Apr. (%)	Disc. 30/04/21 (%)	Disc/ 31/03/21 (%)	Change in disc. (%)	Market cap 30/04/21 (£m)	Number of companies in the sector
34	Growth Capital	1.5	0.0	1.0	0.0	(3.6)	5.7	(9.3)	285.8	5
35	Royalties	0.4	(2.9)	(0.7)	(0.2)	5.0	6.2	(1.2)	780.8	2
36	Financials	0.0	0.0	0.0	0.0	0.0	0.0	0.0	279.2	3
37	Insurance & Reinsurance	0.0	0.0	0.0	(0.4)	(14.9)	(18.5)	3.5	7.5	5
37	Infrastructure	0.0	0.0	3.4	0.0	10.2	2.0	8.2	1,193.0	9
39	Leasing	(0.1)	5.9	7.1	1.5	(45.0)	(43.0)	(1.9)	88.0	7
40	Property - Rest of World	(0.5)	0.0	(0.4)	0.0	(45.9)	(45.8)	(0.1)	44.4	4
41	Japan	(0.6)	(1.4)	0.8	(2.3)	(5.6)	(8.8)	3.2	269.9	6
42	Renewable Energy Infrastructure	(1.4)	1.2	(1.2)	0.0	5.2	7.6	(2.4)	454.6	16
43	Biotechnology & Healthcare	(3.0)	(3.2)	0.9	(0.2)	1.8	0.9	0.8	819.9	6
44	Latin America	(7.0)	(4.4)	3.5	2.4	(9.6)	(10.4)	0.8	89.6	2
45	Japanese Smaller Companies	(9.4)	(4.4)	1.7	(0.9)	(3.3)	(4.8)	1.5	148.3	5
	MEDIAN	4.8	2.7	3.5	1.5	(3.6)	(6.0)	1.1	271.6	6

Source: Morningstar, Marten & Co



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