QuotedData BY MARTEN & CO

INVESTOR

Third quarter of 2021

Investment companies | Quarterly roundup | October 2021

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False hope?

The global recovery continued over the third quarter of 2021 with many countries catching up on their respective vaccination programmes, such as Japan, and others rebuilding their economies after deadly outbreaks as seen in India. The pace of the rebound triggered supply chain problems, energy price rises and shortages of some components. In the UK, this has been compounded by Brexit-related labour shortages and import/export disruption. These bottlenecks are feeding through into inflation, which hopefully will not become entrenched.

New research

Over the quarter, we published notes on Strategic Equity Capital, Standard Life Private Equity, Aberdeen Standard European Logistics Income, BlackRock Throgmorton, Henderson High Income, Baillie Gifford UK Growth, Henderson Diversified Income, Urban Logistics REIT, AVI Global, JLEN Environmental Assets, Alliance Trust, Downing Renewables and Infrastructure, AVI Japan Opportunity and Polar Capital Technology. You can read all these notes by clicking on the links above.

In this issue

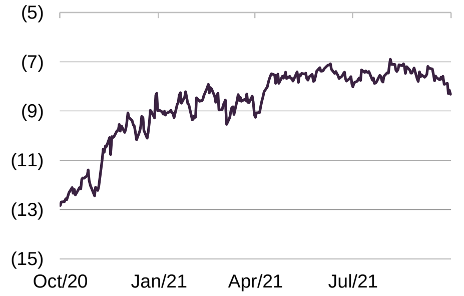
Performance data – China funds plummeted as the government tightened regulation in many sectors and a major developer looked likely to default on its debt. This has had a knock-on effect on some commodities and even Latin American trusts. Meanwhile, India enjoyed a significant bounce and private equity funds are making further gains.

Major news stories – Acorn Income announced its 'scheme of reconstruction' while Electra's demerger plans also progressed. The AIC appointed a new CEO and sadly, industry veteran Simon Fraser passed away. In property news, Civitas Social Housing came under attack from a short seller.

Money in and out – A huge £3.0bn of net new money was raised in Q3, made up of three IPOs - including Seraphim Space which launched with over £170m - and a significant number of fundraises from property and renewable energy infrastructure funds including Home REIT which raised an impressive £350m, and SDCL Energy Efficiency Income which enjoyed an oversubscribed issue, raising £250m.

All investment companies median discount

Time period 01/10/2020 to 30/09/2021

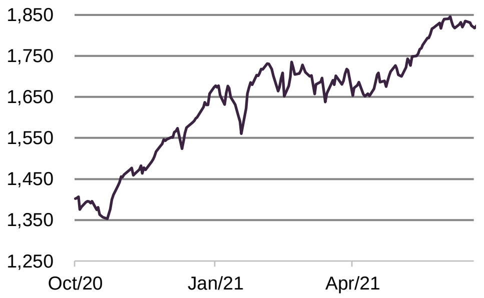


Source: Morningstar, Marten & Co

Discounts were fairly stable over the quarter, having recovered from last-year's COVID-related jitters.

MSCI India Index: Back on track after Covid-induced downfall

Time period 01/10/2020 to 30/09/2021



Source: Morningstar, Marten & Co

India made back all its second wave of Covid induced losses from Q2 in Q3, and then some. Despite the big hit, many believe the country has plenty more to offer as one of the up-and-coming global superpowers. Some India-focused funds such as India Capital Growth saw record returns.

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Contents

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Winners and losers

Out of a total of 351 investment companies that we follow, the median total NAV return over the third quarter of 2021 was 1.2% (the median total share price return was 1.9%).

By sector

Best performing sectors over Q3 2021 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/09/21 (%)	Median sector market cap 30/09/21 (£m)	Number of companies in the sector
India	13.9	13.5	(10.2)	273.0	8
Infrastructure Securities	12.5	11.3	(4.1)	116.7	2
Japanese Smaller Companies	10.9	7.2	(0.4)	164.1	5
Private Equity	9.2	0.5	(21.8)	349.7	21
Japan	8.7	8.9	(7.6)	300.4	2

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

India was the best-performing sector in the third quarter of 2021, largely a reversal from being one of the worst in Q2 due to its deadly second wave of coronavirus. However, many say the country's bounce-back is also a product of its resilient economy, growing companies with strengthening balance sheets and a wider investment opportunity set. Infrastructure securities funds benefited from higher energy prices. Japanese funds got back on track in Q3 – both Japan and Japanese Smaller Companies had featured in the worst performing sectors last quarter. Japan has finally caught up with its global peers regarding its vaccination programme.

Worst performing sectors over Q3 2021 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/09/21 (%)	Median sector market cap 30/09/21 (£m)	Number of companies in the sector
China / Greater China	(25.7)	(19.5)	(9.0)	431.0	6
Commodities & Natural Resources	(11.9)	(2.8)	(7.1)	89.4	9
Latin America	(10.9)	(12.6)	(10.9)	82.8	2
Property - Rest of World	(7.5)	0.0	(50.6)	40.4	4
Biotechnology & Healthcare	(4.6)	(0.9)	(3.6)	788.4	6

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

China funds were battered in Q3, with most of their losses suffered in September, following lacklustre sales, a weaker stock market and worsening business confidence. As the state takes greater control of key sectors, fears are growing about the country's regulatory environment. Commodities & Natural Resources trusts were also among the worst performers despite shooting the lights out earlier in the year, likely on fears of slowing Chinese demand. The domino effect also hit Latin America, whose markets are heavily reliant on commodity exports.

Top 10 performers by fund

Best performing funds in total NAV (LHS) and price (RHS) terms over Q3 2021

Fund	Sector	(%)	Fund	Sector	(%)
Geiger Counter	Commodities & Natural Resources	21.5	Literacy Capital	Private Equity	52.6
Schiehallion	Growth Capital	19.1	Riverstone Energy	Commodities & Natural Resources	39.5
Ashoka India Equity	India	18.6	Schiehallion	Growth Capital	38.4
Premier Miton Global Renewables	Infrastructure Securities	16.9	Symphony International Holding	Private Equity	31.7
Third Point Investors	Hedge Funds	15.7	GCP Student Living	Property - UK Residential	31.4
Aberdeen New India	India	14.2	Geiger Counter	Commodities & Natural Resources	28.5
JPMorgan Russian Securities	Country Specialist	13.7	Taylor Maritime	Leasing	27.4
JPMorgan Indian	India	12.8	NB Distressed Debt	Debt - Loans & Bonds	24.6
Montanaro European Smaller	European Smaller Companies	12.6	Dunedin Enterprise	Private Equity	23.3
India Capital Growth	India	11.8	Tufton Oceanic Assets	Leasing	22.1

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/09/21

Q3 saw a mix of trusts among the top performers, with both macro and individual events affecting share prices and NAV figures. India funds Ashoka India Equity, Aberdeen New India, JPMorgan Indian and India Capital Growth were all winners in NAV terms as the country recuperated losses it made during Q2 while suffering from its deadly second wave of the coronavirus. Energy price increases benefited Geiger Counter, as the uranium mining sector rose and the trust's small-cap focus also helped. Premier Miton Global Renewables made most of its gains towards the end of the quarter, with gains amplified by being around 40% geared by its split capital structure. Over 40% of JPMorgan Russian's portfolio is in energy stocks.

In share price terms, leasing names Taylor Maritime and Tufton Oceanic Assets performed well as shipping rates rose sharply. Schiehallion, Symphony, Dunedin Enterprise and Literacy Capital also performed well during the quarter. The private equity industry has substantial liquidity to deploy which has led to high levels of investment and takeover activity. Literacy Capital made a number of announcements that suggest its NAV will rise significantly when it is next published. GCP Student Living was bid for.

Bottom 10 performers by fund

Worst performing funds in total NAV (LHS) and price (RHS) terms over Q3 2021

Fund	Sector	(%)	Fund	Sector	(%)
Fidelity China Special Situations	China / Greater China	(19.7)	JPMorgan China Growth & Income	China / Greater China	(28.3)
Baillie Gifford China Growth	China / Greater China	(17.5)	Baillie Gifford China Growth	China / Greater China	(25.7)
EPE Special Opportunities	Private Equity	(16.1)	Fidelity China Special Situations	China / Greater China	(24.0)
Golden Prospect Precious Metal	Commodities & Natural Resources	(15.2)	Secured Income	Debt - Direct Lending	(23.8)
BlackRock Latin American	Latin America	(13.7)	Civitas Social Housing	Property - UK Residential	(23.2)
BlackRock World Mining	Commodities & Natural Resources	(12.0)	Golden Prospect Precious Metal	Commodities & Natural Resources	(19.7)
Aberdeen Latin American Income	Latin America	(11.4)	Syncona	Biotechnology & Healthcare	(18.9)
Templeton Emerging Markets	Global Emerging Markets	(9.7)	Macau Property Opportunities	Property - Rest of World	(16.3)
UIL	Flexible Investment	(9.6)	Gabelli Merger Plus+	Hedge Funds	(16.2)
Weiss Korea Opportunity	Country Specialist	(9.6)	JPMorgan Asia Growth & Income	Asia Pacific Equity Income	(16.1)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/09/21

As already discussed, China was the worst performing sector by a long way in Q3, reflected in the share prices and NAVs of a number of trusts such as Fidelity China Special Situations, Baillie Gifford China Growth and JPMorgan China Growth & Income. In addition to the government/regulatory clampdowns, the country's economic recovery also appeared to have lost steam as production fell over the summer and a fresh bout of Covid-19 outbreaks took hold. Some feel that policymakers may need to do more to aid the recovery. This may have also had an impact on global emerging markets and Asia names such as Templeton Emerging Markets and JPMorgan Asia Growth & Income while the downfall also had a knock-on effect on Latin America trusts BlackRock Latin American and Aberdeen Latin American Income. Golden Prospect Precious Metals has been hit by a falling gold price, which seems at odds with rising inflation fears.

In share price terms, Civitas Social Housing was one of the worst performers after being targeted by ShadowFall, a short seller, who made a variety of accusations (after it shorted the stock) which the company has since rebutted. It also suffered as it fell out of the 250 Index. Secured Income uncovered more problems with its loan portfolio. Syncona was another laggard in share price terms as biotech stocks have been weak, but we sense that investors are also frustrated by the pace of progress within its portfolio.

Significant rating changes by fund

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

Fund	Sector	30 Sep 2021 (%)	30 Jun 2021 (%)	Fund	Sector	30 Sep 2021 (%)	30 Jun 2021 (%)
Literacy Capital	Private Equity	43.6	(5.9)	Civitas Social Housing	Property - UK Residential	(19.3)	6.4
GCP Student Living	Property - UK Residential	8.3	(17.5)	Secured Income	Debt - Direct Lending	(8.7)	14.6
Taylor Maritime	Leasing	18.1	(5.0)	Syncona	Biotechnology & Healthcare	(6.1)	16.3
Africa Opportunity	Global Emerging Markets	(16.8)	(39.3)	CQS Natural Resources G&	Commodities & Natural Resources	(22.0)	(7.0)
Riverstone Energy	Commodities & Natural Resources	(29.4)	(49.4)	Gabelli Merger Plus+	Hedge Funds	(39.1)	(25.6)
Schiehallion	Growth Capital	38.5	18.9	JPMorgan China Growth & Income	China / Greater China	(9.0)	2.7
Dunedin Enterprise	Private Equity	(14.7)	(30.7)	Baillie Gifford China Growth	China / Greater China	(5.8)	4.9
Apax Global Alpha	Private Equity	(4.1)	(19.3)	JPMorgan Asia Growth & Income	Asia Pacific Equity Income	(8.3)	1.6
Acorn Income	UK Equity & Bond Income	(3.6)	(17.4)	Triple Point Social Housing REIT	Property - UK Residential	(9.6)	(0.1)
EPE Special Opportunities	Private Equity	(22.2)	(35.8)	Aberdeen Standard European Logistics Income	Property - Europe	13.2	21.4

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/09/21

Getting more expensive

For a third quarter in a row, discounts narrowed across much of the private equity sector in Q3. Literacy Capital shot from a 5.9% discount to a premium of more than 40%. Its NAV is out of date, the trust has already gained much success in its short life so far, with many of its holdings completing funding rounds including Butternut Box and Hometree. Meanwhile, Acorn Income's double-digit discount narrowed following the announcement of its 'scheme of reconstruction' which will see shareholders' money either returned or rolled into the open-ended Unicorn UK Income fund and the trust officially wind up. The news helped narrow its double-digit discount to just 3.6% in September. Riverstone Energy has been boosted by the higher oil price. Aoax Global Alpha has benefited from the IPO of its largest investment, Thoughtworks.

Getting cheaper

As already covered, Civitas Social Housing came under attack from ShadowFall while investors are becoming disillusioned with Syncona's falling NAV. Secured Income became significantly cheaper over the quarter as its 14.6% premium (which was as high as 31% in August) plummeted to a 9% discount following a return of capital. The company agreed to amend its investment management agreement with KKV Investment Management, confirming a monthly management fee of £20,500 until the end of the year. CQS Natural Resources Growth & Income became cheaper during the quarter, with its discount widening into double digits. Gabelli Merger Plus+ also saw its discount widen. The stock is quite illiquid.

Money raised and returned

Out of the 351 investment companies we follow, a huge £3bn of net new capital was raised over the third quarter of 2021. There were two successful IPOs – Seraphim Space and renewable energy infrastructure mandate, HydrogenOne Capital Growth. A couple of other proposed IPOs fell through but plenty of trusts raised new money.

Money raised (LHS) and returned (RHS) in £m over Q3 2021

Fund	Sector	£m raised	Fund	Sector	£m returned
Home REIT	Property - UK Residential	348.4	JPEL Private Equity	Private Equity	(48.7)
SDCL Energy Efficiency Income	Renewable Energy Infrastructure	255.7	VietNam Holding	Country Specialist	(38.0)
Tritax EuroBox	Property - Europe	216.3	Witan	Global	(29.7)
Renewables Infrastructure	Renewable Energy Infrastructure	200.5	Alliance Trust	Global	(28.9)
Digital 9 Infrastructure	Infrastructure	190.0	F&C Investment Trust	Global	(18.6)
Cordiant Digital Infrastructure	Infrastructure	187.0	SME Credit Realisation	Debt - Direct Lending	(17.5)
Seraphim Space	Growth Capital	178.4	AVI Global	Global	(16.7)
Hipgnosis Songs	Royalties	157.1	BMO Commercial Property	Property - UK Commercial	(15.4)
Octopus Renewables Infrastructure	Renewable Energy Infrastructure	155.9	Highbridge Tactical Credit	Hedge Funds	(14.9)
Polar Capital Global Financials	Financials	134.0	JPMorgan American	North America	(13.1)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/09/21

Money coming in

The biggest fundraising came from Home REIT, which raised £350m in a hugely oversubscribed issue, far exceeding its original target of £262m. Similarly Tritax EuroBox decided to increase the size of its placing to £213m after demand flew past its £170m target and Target Healthcare REIT also raised £125m, having initially targeted £100m. It will invest in more care homes. Meanwhile SDCL Energy Efficiency Income also enjoyed an oversubscribed issue, raising £250m against a target of £175m, while Renewables Infrastructure raised gross proceeds of £200m to repay debt it had run up, in part as it made its first investments in Spain, buying four solar plants. New name Seraphim Space was oversubscribed and exceeded its IPO target of £150m but HydrogenOne Capital Growth failed to hit its £250m target, raising just £108m. The digital infrastructure sub-sector expanded again and is now about £1bn in size.

Money going out

Share buybacks were led by JPEL Private Equity, having made a mandatory redemption of shares after its sale of its largest holding and VietNam Holding which held a tender offer.

Major news stories over Q3 2021

Portfolio developments

- Downing Renewables & Infrastructure posted strong numbers for its first set of results
- Schroder UK Public Private got excited about Oxford Nanopore's IPO plans
- CQS New City High Yield made a good recovery
- JPMorgan Mid Cap reported a bumper year of outperformance
- India Capital Growth posted strong results ahead of its redemption vote
- JPMorgan Emerging Markets achieved record outperformance
- Unlisted name was Fidelity Japan's 'standout contributor to performance'
- RIT Capital Partners enjoyed new all-time high NAV numbers
- Another year of outperformance for Henderson Smaller Companies
- Another legendary acquisition for Hipgnosis boosted its Fleetwood Mac exposure
- Atlantis Japan Growth significantly outperformed the TOPIX
- Hg Capital invested in insight software
- Polar Capital Technology was held back by its widening discount
- Ecofin US Renewables and Infrastructure bought 12 new solar projects

Corporate news

- Acorn Income revealed its 'scheme of reconstruction'
- Digital 9 Infrastructure announced another equity raise
- Foresight Sustainable Forestry shared IPO plans
- Petershill Partners announced its intention to float
- SDCL Energy Efficiency raised £250m
- Gresham House Energy Storage agreed a five-year debt facility
- Gore Street Energy Storage planned a placing and retail offer
- AVI requisitioned Third Point Investors to address its 'entrenched trading discount'
- Greencoat Renewables called for an EGM to consider a new investment policy
- Blackfinch Renewable European Income announced it was targeting a £300m IPO
- BBGI Global Infrastructure announced a new dividend target
- Electra's demerger plans progressed
- A lawsuit was filed against Pershing Square Tontine Holdings
- Blue Planet appeared to be in dispute with a big shareholder
- HydrogenOne Capital Growth launched but missed its £250m target
- Gabelli Value Plus officially wound up
- Augmentum Fintech fundraise hit its £55m target
- Seraphim Space launched with £178.4m

Property news

- SLI Property Income shared carbon offsetting plans
- Aberdeen Standard European Logistics raised £125m in an oversubscribed issue
- Tritax EuroBox announced a £170m equity raise
- Civitas Social Housing was targeted by a short-seller
- Social Housing REIT announced its intention to float
- Home REIT eyed a £262m fund raise
- Regional REIT acquired a £236m portfolio
- Urban Logistics REIT raised £108.3m
- ASLI bought in Barcelona
- UK Resident REIT failed to hit its IPO target
- Custodian REIT was in talks to buy Drum Income Plus REIT

Managers and fees

- Gresham House agreed terms to purchase VCT business Mobeus Equity Partners
- Schroder UK Public Private's Ben Wicks stepped down
- City of London appointed David Smith as deputy manager
- Industry veteran and former F&C chair Simon Fraser passed away
- Genesis Emerging Markets announced its appointment of Fidelity as its new manager
- The Association of Investment Companies appointed ex Share Centre boss Richard Stone to replace Ian Sayers as CEO
- Aberdeen Emerging Markets and Aberdeen New Thai announced plans to combine and focus on China as one trust

QuotedData views

- Ranking UK equity income trusts - 24 September
- HOME run and a strike-out? - 24 September
- Private equity – silly cheap – 17 September
- Harworth-y plan – 17 September
- Carbon kings – 10 September
- Tree time – 10 September
- Something in the water – 3 September
- Contrarian view worth backing? – 3 September
- UK glass half-full? – 27 August
- Growth works, value works, cash not so good – 20 August

- Urban vibes – 20 August
- Reading is fundamental – 13 August
- More property companies in crosshairs of private equity – 13 August
- Do we love tech or not? – 6 August
- Who's looking good for property bounceback? – 6 August
- China poses a puzzle – 30 July
- Eyes on Tokyo – 23 July
- Levelling up – 23 July
- Is India back on track? – 16 July
- Define future fit offices – 16 July
- Is football coming home? – 9 July
- Another property takeover? – 9 July
- Volatility remains hallmark of biotech in first half – 5 July
- Told you so! – 2 July

Visit www.quoteddata.com or 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

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.

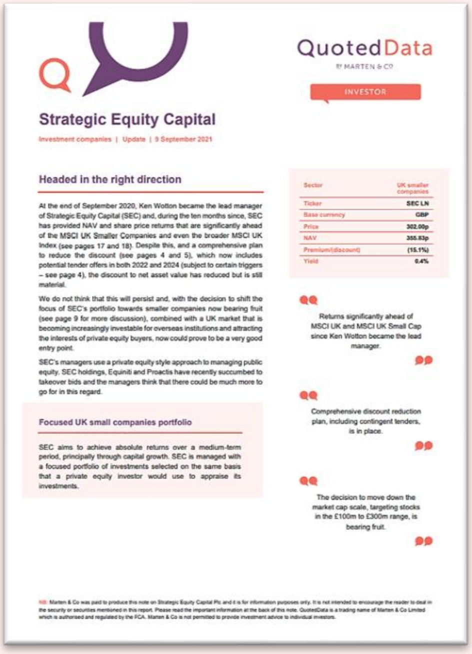
- Tufton Oceanic Assets AGM, 20 October
- Master Investor – Small Cap Chat, 21 October
- Standard Life UK Smaller Companies AGM, 21 October
- The Investment Company AGM, 27 October
- Aberforth Split Level Income AGM, 28 October
- Greencoat Renewables EGM, 28 October
- City of London AGM, 28 October
- ICUK – London Investor Show, 29 October
- Murray Income AGM, 2 November
- JPMorgan Mid Cap AGM, 2 November
- JPMorgan Emerging Markets AGM, 4 November
- Mid Wynd International AGM, 9 November
- European Opportunities AGM, 10 November
- QuotedData's annual ESG webinar, 16-18 November
- Master Investor – Investing in the Age of Longevity, 17 November
- Schroder British Opportunities AGM, 30 November
- CQS New City High Yield AGM, 2 December

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.

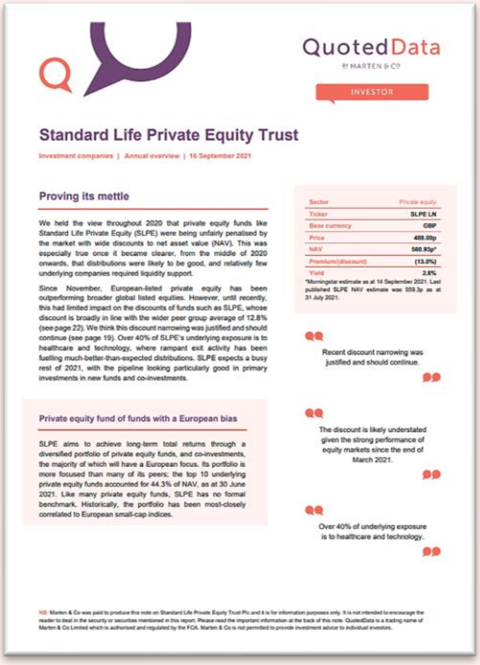
Friday	The news show	Special Guest	Topic
9 April	CBA, SEC, SEIT, SUPP	Neil Hermon	Henderson Smaller Companies
16 April	BLND, PSDL, SBO	Hugo Ure	Troy Income & Growth
23 April	AEWU, AIF, GSF, MNTN	James Harries	Securities Trust of Scotland
30 April	AGT, DIG, HOME, GWIini	Nick Montgomery	Schroder Real Estate Investment Trust
7 May	JLG, JLIF, SIGB, SMP	Helen Steers	Pantheon International
14 May	NPSN, RMDL	Stuart Widdowson	Odyssean
21 May	AIF, CORD, SBO	Georgina Brittan	JPMorgan Smaller Companies
28 May	GHE, SEC	Matthew Potter	Honeycomb
4 Jun	ARR, BHGG, BHGU, BHME, BHMG, BHMU, LTI, SCIN, WWH	Ben Ritchie	Dunedin Income Growth
11 Jun	CORD, DGI9, PHI	Stephanie Sirota	RTW Ventures
18 Jun	AUGM, LTI, MTE	Stephen Inglis	Regional REIT
25 June	AEMC, CRS, BOOK	Michael O'Brien	Fundsmith Emerging Equities
2 July	GSS, PCFT, SHED, BSIF	David Conlon	GCP Asset Backed Income
9 July	AGT, DIGS	Matthias Siller	Baring Emerging EMEA Opportunities
16 July	AGT, ABD, SONG, PRSR, RHM	Nick Wood	Quilter Cheviot
23 July	RNEW, PSH	Gareth Powell	Polar Capital Global Healthcare
6 August	AEMC, ANW, CREI, DRIP	Matthew Howard	BMO Commercial Property
13 August	AIF, SSON	Andrew Bell	Witan
20 August	APAX, ELTA, PSH	Abbie Glennie	Aberdeen Smaller Companies Income
27 August	GRP, SHB	David Smith	Henderson High Income
3 September	AIF, BRET	Ian Lance	Temple Bar
10 September	GSEO, ASLI, SLI	Craig Baker	Alliance Trust
17 September	APAX, GABI, SUPP	Robin Parbrook	Schroder Asia Total Return
24 September	NCYF, RNEW, FEML, USF	Peter Hewitt	BMO Managed Portfolio
1 October	AIE, CAT, IGC, VNH	Tim Creed	Schroder UK Public Private
8 October	FEML, GRP	Steven Tredget	Oakley Capital
		Coming up	
15 October		Nicholas Yeo	Aberdeen China
22 October		Claire Shaw	Scottish Mortgage
29 October		Richard Pindar	Literacy Capital
5 November		Rory Bateman	Schroder British Opportunities
12 November		Helen Steers	Pantheon

Research notes published over Q3 2021


QuotedData
INVESTOR
Strategic Equity Capital
Investment companies | Update | 9 September 2021
Headed in the right direction
Focused UK small companies portfolio
Returns significantly ahead of MSCI UK and MSCI UK Small Cap since Ken Wotton became the lead manager.
Comprehensive discount reduction plan, including contingent tenders, is in place.
The decision to move down the market cap scale, targeting stocks in the £100m to £300m range, is bearing fruit.

At the end of September 2020, Ken Wotton became the lead manager of Strategic Equity Capital (SEC) and, during the ten months since, SEC has provided NAV and share price returns that are significantly ahead of the MSCI UK Smaller Companies and even the broader MSCI UK Index. With the decision to shift the focus of SEC's portfolio towards smaller companies now bearing fruit, combined with a UK market that is becoming increasingly investable for overseas institutions and attracting the interests of private equity buyers, now could prove to be a very good entry point.

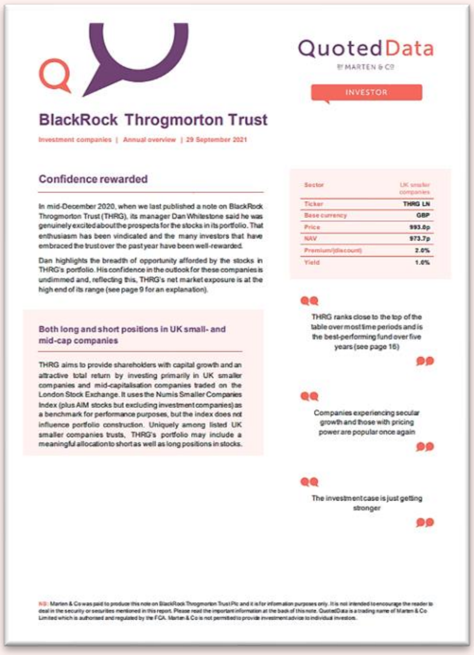
We held the view throughout 2020 that private equity funds like Standard Life Private Equity (SLPE) were being unfairly penalised by the market with wide discounts to net asset value. This was especially true once it became clearer, from the middle of 2020 onwards, that distributions were likely to be good, and relatively few underlying companies required liquidity support. Since November, European-listed private equity has been outperforming broader global listed equities.

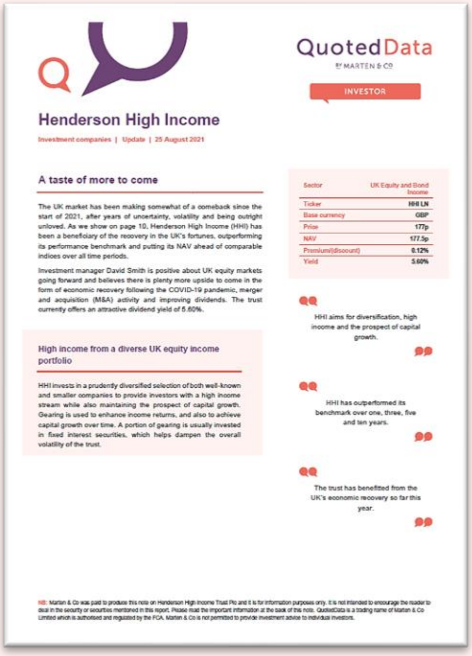

QuotedData
INVESTOR
Standard Life Private Equity Trust
Investment companies | Annual overview | 16 September 2021
Proving its mettle
Private equity fund of funds with a European bias
Recent discount narrowing was justified and should continue.
The discount is likely understated given the strong performance of equity markets since the end of March 2021.
Over 40% of underlying exposure is to healthcare and technology.


QuotedData
INVESTOR
Aberdeen Standard European Logistics Income
Real estate | Annual overview | 21 September 2021
Handbrake off in growth drive
Mid box and urban logistics across Europe
Proposing a £75m placing to fund pipeline of assets
Supply-demand imbalance in European logistics expected to lead to significant rental growth
Market-leading ESG credentials

Aberdeen Standard European Logistics Income's (ASLI's) manager has taken a prudent approach to growing the fund thus far, taking a little-and-often capital raise strategy to improve the quality of the portfolio. However, it now proposes a £75m placing to acquire assets from an identified investment pipeline worth €165m and take advantage of the structural tailwinds behind the logistics sector. ASLI is poised to capture significant rental growth in the short and medium term.

When we last published a note on BlackRock Throgmorton Trust (THRG), manager Dan Whitestone said he was genuinely excited about the prospects for the stocks in its portfolio. That enthusiasm has been vindicated and the investors that have embraced the trust over the past year have been well-rewarded. Dan highlights the breadth of opportunity afforded by the stocks in the portfolio and his confidence in their outlook is undimmed. Reflecting this, THRG's net market exposure is at the high end of its range.


QuotedData
INVESTOR
BlackRock Throgmorton Trust
Investment companies | Annual overview | 29 September 2021
Confidence rewarded
Both long and short positions in UK small- and mid-cap companies
THRG ranks close to the top of the table over most time periods and is the best-performing fund over five years (see page 15)
Companies experiencing secular growth and those with pricing power are popular once again
The investment case is just getting stronger


QuotedData
INVESTOR
Henderson High Income
Investment companies | Update | 25 August 2021
A taste of more to come

The UK market has been making somewhat of a comeback since the start of 2021, after years of uncertainty, volatility and being outright unloved. Henderson High Income (HHI) has been a beneficiary of the recovery in the UK's fortunes, outperforming its performance benchmark and putting its NAV ahead of comparable indices over all time periods. Investment manager David Smith is positive about UK equity markets going forward and believes there is plenty more upside to come in the form of economic recovery following the COVID-19 pandemic, M&A activity and improving dividends. The trust currently offers an attractive dividend yield of 5.60%.

It is now just over three years since Baillie Gifford took over the management of Baillie Gifford UK Growth Trust (BGUK). This move has paid off, with absolute and relative performance versus its peers, improving dramatically, while a marked share price discount to NAV was, until recently, eliminated. BGUK offers investors the best ideas from Baillie Gifford's UK equities team. While markets fret about the risk of new COVID variants, BGUK's managers are excited about the innovation and prospects they see for their portfolio companies.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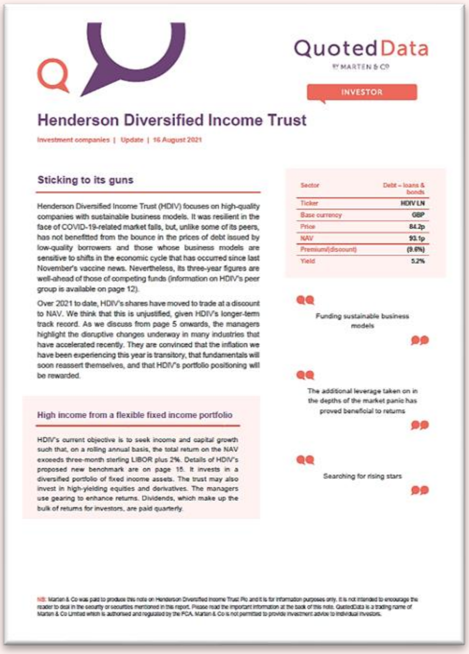
Baillie Gifford UK Growth
Investment companies | Initiation | 18 August 2021
Looking way beyond the now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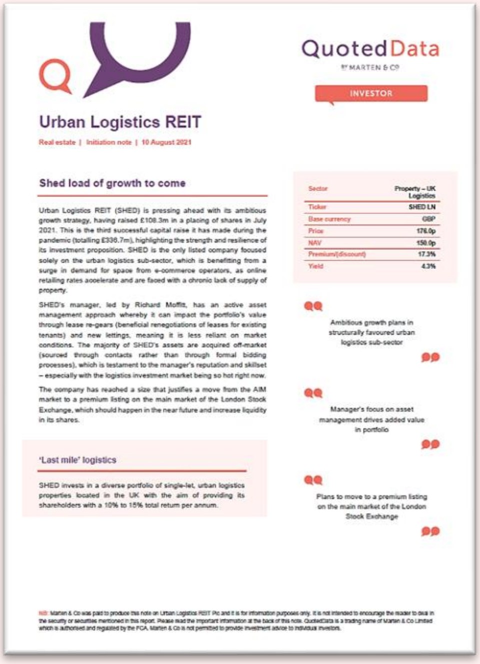
INVESTOR
Henderson Diversified Income Trust
Investment companies | Update | 16 August 2021
Sticking to its guns

Henderson Diversified Income Trust (HDIV) focuses on high-quality companies with sustainable business models. It was resilient in the face of COVID-19-related market falls, but, unlike some of its peers, has not benefitted from the bounce in the prices of debt issued by low-quality borrowers and those whose business models are sensitive to shifts in the economic cycle that has occurred since last November's vaccine news. Nevertheless, its three-year figures are well-ahead of those of competing funds.

Urban Logistics REIT (SHED) is pressing ahead with its ambitious growth strategy, having raised £108.3m in a placing of shares in July 2021. This is the third successful capital raise it has made during the pandemic (totalling £336.7m), highlighting the strength and resilience of its investment proposition. SHED is the only listed company focused solely on the urban logistics sub-sector, which is benefitting from a surge in demand for space from e-commerce operators, as online retailing rates accelerate and are faced with a chronic lack of supply of property.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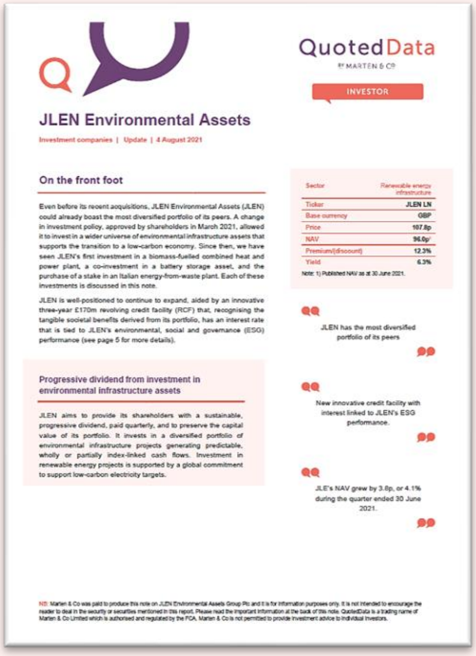
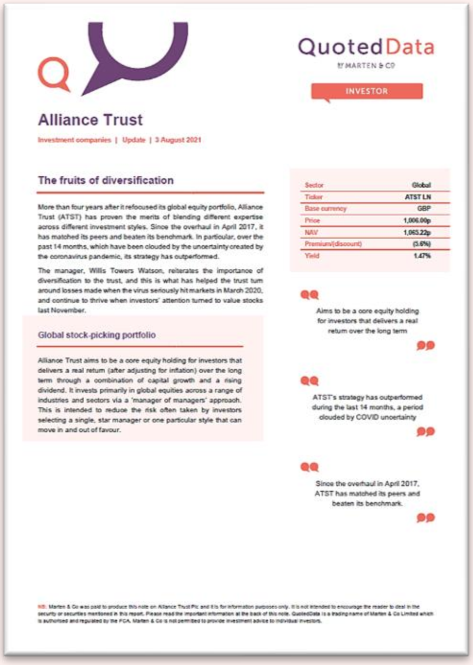
INVESTOR
Urban Logistics REIT
Real estate | Initiation note | 10 August 2021
Shed load of growth to come

AVI Global Trust (AGT) has had a strong run of performance since last November. Its manager, Asset Value Investors (AVI) has been realising substantial profits from a number of positions where the discounts that these companies have traded at in the market, relative to their underlying net asset values, have narrowed significantly or have been eliminated altogether. The proceeds of these sales are being recycled into a more focused, high conviction portfolio of good quality companies trading at meaningful discounts to AVI's estimate of their true asset value.

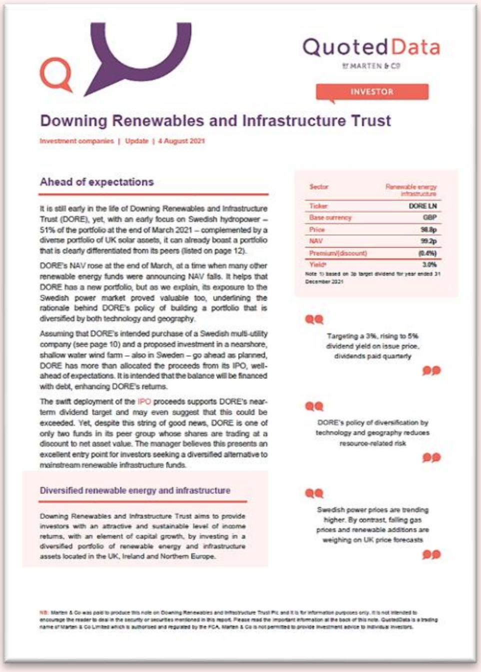
A change in JLEN Environmental Assets' (JLEN) investment policy, approved by shareholders in March 2021, allowed it to invest in a wider universe of environmental infrastructure assets that supports the transition to a low-carbon economy. Since then, we have seen its first investment in a biomass-fuelled combined heat and power plant, a co-investment in a battery storage asset, and the purchase of a stake in an Italian energy-from-waste plant.





More than four years after it refocused its global equity portfolio, Alliance Trust (ATST) has proven the merits of blending different expertise across different investment styles. Since the overhaul in April 2017, it has matched its peers and beaten its benchmark. In particular, over the past 14 months, which have been clouded by the uncertainty created by the coronavirus pandemic, its strategy has outperformed.

It is still early in the life of Downing Renewables and Infrastructure Trust (DORE), yet, with an early focus on Swedish hydropower – 51% of the portfolio at the end of March 2021 – complemented by a diverse portfolio of UK solar assets, it can already boast a portfolio that is clearly differentiated from its peers. However, DORE is one of only two funds in its peer group whose shares are trading at a discount to net asset value. The manager believes this presents an excellent entry point for investors seeking a diversified alternative to mainstream renewable infrastructure funds.



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BY MARTEN & CO
INVESTOR

AVI Japan Opportunity Trust

Investment companies | Initiation | 20 July 2021

Progress on a number of fronts

AVI Japan Opportunity Trust (AJOT) is not yet three years old, but it is making great strides in its various campaigns to improve shareholder value across a select group of Japanese companies. The value opportunity presented by the Japanese market is considerable, and this is true for smaller companies and value-style stocks in particular. Many of AJOT's holdings trade close to the value of cash and listed investments on their balance sheets.

Attitudes to corporate governance and shareholder rights are changing in Japan, helped by supportive legislation. After a COVID-related lull in corporate activity last year, things are heating up (as we describe from page 6 onwards) and this is flowing through into AJOT's NAV.

Asset Value Investors Limited (AVI) is AJOT's investment manager. It highlights four reasons why an investment in AJOT offers a compelling opportunity, each of which is explored in this note (see page 4 for more detail).

Sector	Japanese smaller companies
Ticker	AJOT LN
Base currency	GBP
Price	112.25p
NAV	112.0p
Premium/(discount)	0.25%
Yield	1.2%

The Japanese market is undervalued, having underperformed other major markets

Unlocking value in Japanese smaller companies

AJOT aims to achieve capital growth in excess of the MSCI Japan Small Cap Index by investing in a focused portfolio of over-capitalised small-cap Japanese equities. Asset Value Investors leverages its three decades of experience investing in asset-backed companies to engage with company management and help to unlock value in this under-researched area of the market

Within AJOT's universe there are a surprisingly high number of cash/asset-rich, good quality companies

AJOT is no passive investor. AVI is engaging with each of the companies in the portfolio

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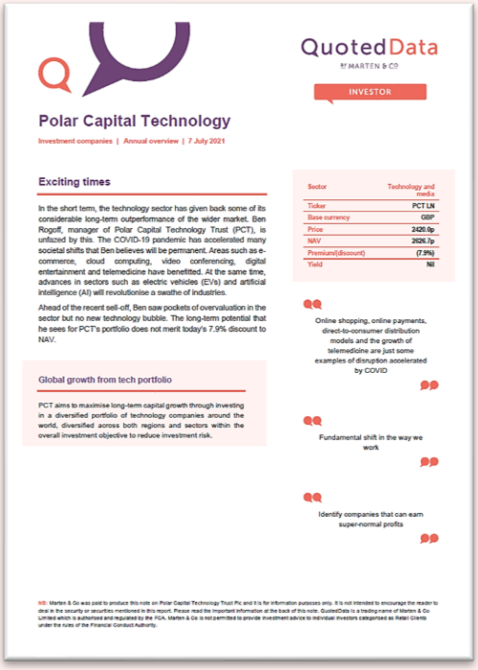
In the short term, the technology sector has given back some of its considerable long-term outperformance of the wider market. Ben Rogoff, manager of Polar Capital Technology Trust (PCT), is unfazed by this. The COVID-19 pandemic has accelerated many societal shifts that Ben believes will be permanent. Areas such as e-commerce, cloud computing, video conferencing, digital entertainment and telemedicine have benefitted. At the same time, advances in sectors such as electric vehicles (EVs) and artificial intelligence (AI) will revolutionise a swathe of industries.



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Polar Capital Technology

Investment companies | Annual overview | 7 July 2021

Exciting times

In the short term, the technology sector has given back some of its considerable long-term outperformance of the wider market. Ben Rogoff, manager of Polar Capital Technology Trust (PCT), is unfazed by this. The COVID-19 pandemic has accelerated many societal shifts that Ben believes will be permanent. Areas such as e-commerce, cloud computing, video conferencing, digital entertainment and telemedicine have benefitted. At the same time, advances in sectors such as electric vehicles (EVs) and artificial intelligence (AI) will revolutionise a swathe of industries.

Ahead of the recent sell-off, Ben saw pockets of overvaluation in the sector but no new technology bubble. The long-term potential that he sees for PCT's portfolio does not merit today's 7.9% discount to NAV.

Sector	Technology and media
Ticker	PCT LN
Base currency	GBP
Price	2420.0p
NAV	2626.7p
Premium/(discount)	(7.9%)
Yield	Nil

Online shopping, online payments, direct-to-consumer distribution models and the growth of telemedicine are just some examples of disruption accelerated by COVID

Global growth from tech portfolio

PCT aims to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world, diversified across both regions and sectors within the overall investment objective to reduce investment risk.

Fundamental shift in the way we work

Identify companies that can earn super-normal profits

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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 share price return over Q3 2021

	Share price Q3 21 TR (%)	NAV Q3 21 TR (%)	Discount 30/09/21 (%)	Median market cap 30/09/21 (£m)	Number of companies in the sector
India	13.9	13.5	(10.2)	273.0	8
Infrastructure Securities	12.5	11.3	(4.1)	116.7	2
Japanese Smaller Companies	10.9	7.2	(0.4)	164.1	5
Private Equity	9.2	0.5	(21.8)	349.7	21
Property - UK Logistics	9.1	0.0	13.6	625.4	3
Japan	8.7	8.9	(7.6)	300.4	6
UK Equity & Bond Income	7.5	2.6	(4.3)	136.9	2
Insurance & Reinsurance Strategies	5.0	3.7	(21.4)	43.3	2
Global Smaller Companies	4.9	3.2	(8.2)	1,246.0	5
Hedge Funds	4.8	3.0	(17.7)	76.9	9
Growth Capital	4.8	0.0	0.0	266.0	7
Environmental	4.6	4.2	(7.7)	90.4	3
European Smaller Companies	4.6	1.2	(8.0)	616.9	4
Debt - Direct Lending	3.7	2.1	(6.7)	174.9	8
Property - UK Commercial	3.3	1.2	(16.2)	241.6	15
Debt - Structured Finance	3.0	2.7	(10.7)	138.0	7
Debt - Loans & Bonds	2.6	2.2	(5.9)	150.0	12
UK Smaller Companies	2.6	3.1	(11.4)	153.7	24
North America	2.5	1.0	(4.0)	401.4	5
Technology & Media	2.1	1.1	(8.0)	1,260.9	3
Global	2.0	1.2	(5.7)	488.0	17
Property - Debt	2.0	1.1	(8.2)	231.0	4
Global Equity Income	1.9	(0.1)	(2.3)	323.4	7
Royalties	1.9	1.3	0.8	868.6	2
Asia Pacific Smaller Companies	1.8	4.2	(9.3)	354.2	3
Country Specialist	1.3	0.9	(12.6)	259.6	6
Flexible Investment	1.3	0.8	(3.2)	97.2	22
Infrastructure	1.1	1.2	7.7	1,061.7	10
Europe	1.0	1.2	(9.0)	447.8	8
Leasing	1.0	3.0	(35.5)	91.7	8
Renewable Energy Infrastructure	1.0	1.5	7.4	538.8	18
Property - UK Healthcare	0.5	0.8	2.7	548.9	2
UK All Companies	0.5	3.6	(7.6)	309.5	9
UK Equity Income	0.5	0.7	(2.5)	296.9	24
Financials	0.1	4.9	(12.0)	387.7	2
Global Emerging Markets	(0.5)	(0.4)	(9.1)	280.5	14

	Share price Q3 21 TR (%)	NAV Q3 21 TR (%)	Discount 30/09/21 (%)	Median market cap 30/09/21 (£m)	Number of companies in the sector
Property - Europe	(0.8)	0.6	(6.7)	326.0	6
Property - UK Residential	(1.6)	1.1	(0.4)	438.0	8
Asia Pacific	(2.3)	(1.7)	(8.0)	580.3	6
North American Smaller Companies	(3.7)	0.4	(7.0)	218.7	2
Biotechnology & Healthcare	(4.6)	(0.9)	(3.6)	788.4	6
Property - Rest of World	(7.5)	0.0	(50.6)	40.4	4
Latin America	(10.9)	(12.6)	(10.9)	82.8	2
Commodities & Natural Resources	(11.9)	(2.8)	(7.1)	89.4	9
China / Greater China	(25.7)	(19.5)	(9.0)	431.0	6
MEDIAN	1.9	1.2	(7.6)	296.9	6

Source: Morningstar, Marten & Co. Note: all figures represent median values of the constituent funds from each sector. To 30/09/21

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