



Third quarter of 2021

Investment companies | Quarterly roundup | October 2021

Kindly sponsored by Baillie Gifford and Aberdeen Standard Investments

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

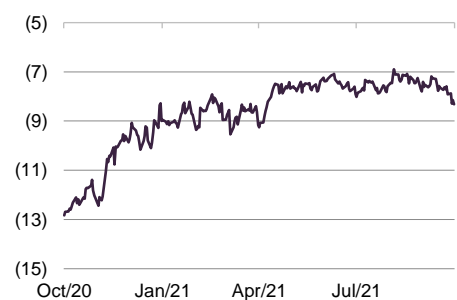
Performance data – China funds plummeted as the government tightened regulation in many sectors and a major developer looked likely to default on its debt. This has had a knock-on effect on some commodities and even Latin American trusts. Meanwhile, India enjoyed a significant bounce and private equity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

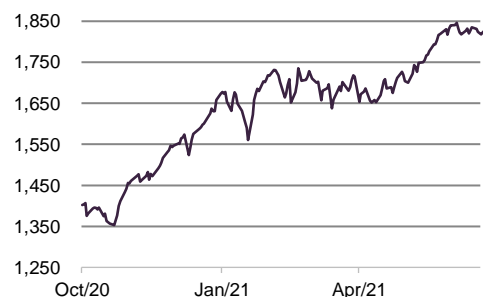


Source: Morningstar, Marten & Co

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.



Contents

Winners and losers	3
By sector	3
Top 10 performers by fund	4
Bottom 10 performers by fund	5
Significant rating changes by fund	6
Getting more expensive	6
Getting cheaper	6
Money raised and returned	8
Major news stories over Q3 2021	9
Upcoming events	10
Interviews	11
Research notes published over Q3 2021	12
Guide	15
Appendix 1 – median performance by share price return over Q3 2021	16

Analysts

Jayna Rana

jr@martendandco.com

Matthew Read

mr@martenandco.com

James Carthew

jc@martendandco.com

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. **Apax 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.



abrdn

Invest in good company

abrdn Investment Trusts

We believe there's no substitute for getting to know your investments first hand. That's why we look to analyse and speak to companies intensively before we invest in their shares and while we hold them.

Focusing on first-hand company research requires a lot of time and resources. But it's just one of the ways we aim to seek out the best investment opportunities on your behalf.

Please remember, the value of shares and the income from them can go down as well as up and you may get back less than the amount invested.

Request a brochure: 0808 500 4000

invtrusts.co.uk

Issued by Aberdeen Asset Managers Limited, registered in Scotland (SC108419) at 10 Queen's Terrace, Aberdeen, AB10 1XL, authorised and regulated in the UK by the Financial Conduct Authority. Please quote MARTEN.

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

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

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

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, GWlini	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

Strategic Equity Capital
Investment companies | Update | 9 September 2021

Headed in the right direction

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 (see pages 17 and 18). Despite this, and a comprehensive plan to reduce the discount (see pages 4 and 5), which now includes potential tender offers to both 2022 and 2024 (subject to certain triggers – see page 4), the discount to net asset value has reduced but is still material.

We do not think that this will persist and, with the decision to shift the focus of SEC's portfolio towards smaller companies now bearing fruit (see page 9 for more discussion), 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.

SEC's managers use a private equity style approach to managing public equity. SEC Holdings, Equiniti and Proacta have recently succumbed to takeover bids and the managers think that there could be much more to go for in this regard.

Focused UK small companies portfolio

SEC aims to achieve absolute returns over a medium term period, principally through capital growth. SEC is managed with a focused portfolio of investments selected on the same basis that a private equity investor would use to appraise its investments.

Sector	UK smaller companies
Ticker	SEC LN
Base currency	GBP
Price	302.0p
NAV	306.0p
Premium/discount	(19.1%)
Yield	6.4%

Return 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 £10m to £300m range, is bearing fruit.

Marten & Co was paid to produce this note on Strategic Equity Capital Plc and is for information purposes only. It is not intended to encourage the reader to deal in the security or securities mentioned in the 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.

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.

Standard Life Private Equity Trust
Investment companies | Annual overview | 16 September 2021

Proving its mettle

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 (NAV). 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. However, until recently, this had limited impact on the discounts of funds such as SLPE, whose discount is broadly in line with the wider peer group average of 12.8% (see page 22). We think this discount narrowing was justified and should continue (see page 19). Over 40% of SLPE's underlying exposure is to healthcare and technology, where rampant exit activity has been fueling much better-than-expected distributions. SLPE expects a busy rest of 2021, with the pipeline looking particularly good in primary investments in new funds and co-investments.

Private equity fund of funds with a European bias

SLPE aims to achieve long-term total returns through a diversified portfolio of private equity funds, and co-investments, the majority of which will have a European focus. Its portfolio is more focused than many of its peers; the top 10 underlying private equity funds accounted for 44.3% of NAV, as at 30 June 2021. Like many private equity funds, SLPE has no formal benchmark. Historically, the portfolio has been most-closely correlated to European small-cap indices.

Sector	Private equity
Ticker	SLPE LN
Base currency	GBP
Price	488.0p
NAV	688.0p*
Premium/discount	(30.2%)
Yield	2.8%

*NAVington estimate as at 16 September 2021. Last published SLPE NAV estimate was 695.5p, as at 31 July 2021.

Recent discount narrowing was justified and should continue.

The discount is likely to understate given the strong performance of equity markets since the end of March 2021.

Over 40% of underlying exposure is to healthcare and technology.

Marten & Co was paid to produce this note on Standard Life Private Equity Trust Plc and is for information purposes only. It is not intended to encourage the reader to deal in the security or securities mentioned in the 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.

Aberdeen Standard European Logistics Income
Real estate | Annual overview | 21 September 2021

Handbrake off in growth drive

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 (see page 16).

ASLI is poised to capture significant growth in the short and medium term. The European logistics market is characterised by growing demand for space – driven by a continued boom in online retailing – and historic low levels of supply of logistics property. The fund's market-leading environmental, social and governance (ESG) credentials, with further initiatives to come, emphasise the quality nature of the portfolio and ensures that it is fit for the future.

Mid box and urban logistics across Europe

ASLI invests in, and actively asset manages, a diversified portfolio of logistics real estate assets in Europe with the aim of providing its shareholders with a regular and attractive level of income return together with the potential for long-term income and capital growth (target total return of 7.5% a year in income).

Sector	Property - Europe
Ticker	ASLI LN
Base currency	GBP
Price	118.0p
NAV	104.5p
Premium/discount	9.8%
Yield	4.4%

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

Marten & Co was paid to produce this note on Aberdeen Standard European Logistics Income and is for information purposes only. It is not intended to encourage the reader to deal in the security or securities mentioned in the 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.

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.

BlackRock Throgmorton Trust
Investment companies | Annual overview | 29 September 2021

Confidence rewarded

In mid-December 2020, when we last published a note on BlackRock Throgmorton Trust (THRG), its manager Dan Whitestone said he was genuinely excited about the prospects for the stocks in its portfolio. That enthusiasm has been vindicated and the many 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 THRG's portfolio. His confidence in the outlook for these companies is undimmed and, reflecting this, THRG's net market exposure is at the high end of its range (see page 9 for an explanation).

Both long and short positions in UK small- and mid-cap companies

THRG aims to provide shareholders with capital growth and an attractive total return by investing primarily in UK smaller companies and mid-capitalisation companies traded on the London Stock Exchange. It uses the Nikkei Smaller Companies Index (plus AIM stocks but excluding investment companies) as a benchmark for performance purposes, but the index does not influence portfolio construction. Uniquely among listed UK smaller companies trusts, THRG's portfolio may include a meaningful allocation to shorts as well as long positions in stocks.

The investment case is just getting stronger

Sector	UK smaller companies
Ticker	THRG LN
Base currency	GBP
Price	99.0p
NAV	97.7p
Premium/discount	2.0%
Yield	1.9%

THRG ranks close to the top of the table over most five-year periods and is the best-performing fund over five years (see page 16)

Companies experiencing secular growth and those with pricing power are popular once again

Marten & Co was paid to produce this note on BlackRock Throgmorton Trust Plc and is for information purposes only. It is not intended to encourage the reader to deal in the security or securities mentioned in the 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.

QuotedData
BY MARTEN & CO
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. As we show on page 10, 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, the merger and acquisition (M&A) activity and improving dividends. The trust currently offers an attractive dividend yield of 5.60%.

Sector	UK Equity and Bond Income
Ticker	HHI.LK
Base currency	GBP
Price	177p
NAV	177.5p
Premium/discount	0.32%
Yield	5.60%

HHI aims for diversification, high income and the prospect of capital growth.

HHI has outperformed its benchmark over one, three, five and ten years.

The trust has benefited from the UK's economic recovery so far this year.

High income from a diverse UK equity income portfolio

HHI invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high income stream while also maintaining the prospect of capital growth. Gearing is used to enhance income returns, and also to achieve capital growth over time. A portion of gearing is usually invested in fixed interest securities, which helps dampen the overall volatility of the trust.

HHI Marten & Co was paid to produce this note on Henderson High Income Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

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.

QuotedData
BY MARTEN & CO
INVESTOR

Baillie Gifford UK Growth
Investment companies | Initiation | 19 August 2021

Looking way beyond the now

It is now just over three years since Baillie Gifford, an investment management house famed for its growth-focused investment strategies, took over the management of Baillie Gifford UK Growth Trust (BGUK). This move has paid off, with absolute and relative performance versus its peers (in the AIC's UK All Companies sector) 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. Its managers are stock pickers, with a long-term (five-to-10-year) view, whose portfolios are managed with a consistent philosophy, allowing them to look through short-term market noise. 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. Today's discount opportunity could prove to be short-lived.

Sector	UK All Companies
Ticker	BGUK.LK
Base currency	GBP
Price	246.1p
NAV	251.1p
Premium/discount	(2.0%)
Yield	1.9%

The best ideas from Baillie Gifford's UK equities team.

The current discount could be short-lived.

Now with the opportunity to invest up to 10% of assets in unlimited opportunities.

Focused portfolio of UK growth equities

BGUK aims to achieve capital growth by investing in a concentrated portfolio (50-60 holdings) of UK equities, with the aim of providing a total return in excess of the FTSE All-Share Index. The portfolio will predominantly comprise constituents of the FTSE 250 Index, but where appropriate, it may also include convertible securities, and equity-related derivatives for efficient portfolio management purposes. BGUK may also invest up to 10% of its total assets in unlimited investment opportunities.

HHI Marten & Co was paid to produce this note on Baillie Gifford UK Growth Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

QuotedData
BY MARTEN & CO
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.

Sector	Debt - loans & bonds
Ticker	HDIV.LK
Base currency	GBP
Price	84.3p
NAV	91.1p
Premium/discount	(8.8%)
Yield	5.2%

Funding sustainable business models.

The additional leverage taken on in the depths of the market panic has proved beneficial to returns.

Searching for rising stars.

High income from a flexible fixed income portfolio

HDIV's current objective is to seek income and capital growth such that, on a rolling annual basis, the total return on the NAV exceeds three-month sterling LIBOR plus 2%. Details of HDIV's proposed new benchmark are on page 10. It invests in a diversified portfolio of fixed income assets. The trust may also invest in high-yielding equities and derivatives. The managers use gearing to enhance returns. Dividends, which make up the bulk of returns for investors, are paid quarterly.

HHI Marten & Co was paid to produce this note on Henderson Diversified Income Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

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.

QuotedData
BY MARTEN & CO
INVESTOR

Urban Logistics REIT
Real estate | Initiation note | 10 August 2021

Shed load of growth to come

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.

SHED's manager, led by Richard Moffitt, has an active asset management approach, whereby it can impact the portfolio's value through lease re-gears (beneficial renegotiations of leases for existing tenants) and new lettings, meaning it is less reliant on market conditions. The majority of SHED's assets are acquired off-market (sourced through contacts rather than through formal bidding processes), which is testament to the manager's reputation and skillset – especially with the logistics investment market being so hot right now.

The company has reached a size that justifies a move from the AIM market to a premium listing on the main market of the London Stock Exchange, which should happen in the near future and increase liquidity in its shares.

Sector	Property - UK Logistics
Ticker	SHED.LK
Base currency	GBP
Price	176.1p
NAV	156.1p
Premium/discount	12.2%
Yield	4.3%

Ambitious growth plans in structurally favoured urban logistics sub-sector.

Manager's focus on asset management drives added value in portfolio.

Plans to move to a premium listing on the main market of the London Stock Exchange.

'Last mile' logistics

SHED invests in a diverse portfolio of single-let, urban logistics properties located in the UK with the aim of providing its shareholders with a 10% to 15% total return per annum.

HHI Marten & Co was paid to produce this note on Urban Logistics REIT Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.



QuotedData

BY MARTEN & CO

INVESTOR

AVI Global Trust

Investment companies | Update | 5 August 2021

Focused high conviction portfolio

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. As we describe on page 6 onwards, 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.

Recent nervousness about new COVID variants has triggered a switch back into growth-focused strategies and AGT has given up some of its outperformance and seen its discount widen in recent weeks. AVI thinks that this is likely to be a short-term phenomenon. If so, this could be an attractive entry point for anyone considering an investment in AGT.

Sector	Global
Ticker	AGT LN
Base currency	GBP
Price	942.5p
NAV	1657.2p
Premium(discount)	(9.6%)
Yield	1.7%

AGT's portfolio will become more concentrated in coming weeks as it focuses on fewer, high-conviction ideas.

Holding companies, closed-end funds, and cash-rich Japanese operating companies.

AGT beat its benchmark by 4.5% over the first half of 2021.

101: Marten & Co was paid to produce this note on AVI Global Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

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.



QuotedData

BY MARTEN & CO

INVESTOR

JLEN Environmental Assets

Investment companies | Update | 4 August 2021

On the front foot

Even before its recent acquisitions, JLEN Environmental Assets (JLEN) could already boast the most diversified portfolio of its peers. A change in 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 JLEN's 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. Each of these investments is discussed in this note.

JLEN is well-positioned to continue to expand, aided by an innovative three-year EITM revolving credit facility (RCF) that, recognizing the tangible societal benefits derived from its portfolio, has an interest rate that is tied to JLEN's environmental, social and governance (ESG) performance (see page 6 for more details).

Progressive dividend from investment in environmental infrastructure assets


JLEN aims to provide its shareholders with a sustainable, progressive dividend, paid quarterly, and to preserve the capital value of its portfolio. It invests in a diversified portfolio of environmental infrastructure projects generating predictable, wholly or partially index-linked cash flows. Investment in renewable energy projects is supported by a global commitment to support low-carbon electricity targets.

JLEN has the most diversified portfolio of its peers.

New innovative credit facility with interest linked to JLEN's ESG performance.

JLEN's NAV grew by 3.8p, or 4.1% during the quarter ended 30 June 2021.

101: Marten & Co was paid to produce this note on JLEN Environmental Assets Group Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.



QuotedData

BY MARTEN & CO

INVESTOR

Alliance Trust

Investment companies | Update | 3 August 2021

The fruits of diversification

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.

The manager, Willa Towers Watson, reiterates the importance of diversification to the trust, and this is what has helped the trust sum around losses made when the virus seriously hit markets in March 2020, and continue to thrive when investors' attention turned to value stocks last November.

Sector	Global
Ticker	ATST LN
Base currency	GBP
Price	1,006.0p
NAV	1,065.2p
Premium(discount)	(6.6%)
Yield	1.47%

Aims to be a core equity holding for investors that delivers a real return over the long term.


ATST's strategy has outperformed during the last 14 months, a period clouded by COVID uncertainty.

Since the overhaul in April 2017, ATST has matched its peers and beaten its benchmark.

101: Marten & Co was paid to produce this note on Alliance Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

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.



QuotedData

BY MARTEN & CO

INVESTOR

Downing Renewables and Infrastructure Trust

Investment companies | Update | 4 August 2021

Ahead of expectations

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 (listed on page 12).

DORE's NAV rose at the end of March, at a time when many other renewable energy funds were announcing NAV falls. It helps that DORE has a new portfolio, but as we explain, its exposure to the Swedish power market proved valuable too, underpinning the rationale behind DORE's policy of building a portfolio that is diversified by both technology and geography.

Assuming that DORE's intended purchase of a Swedish multi-utility company (see page 10) and a proposed investment in a onshore, shallow water wind farm – also in Sweden – go ahead as planned, DORE has more than allocated the proceeds from its IPO, well-ahead of expectations. It is intended that the balance will be financed with debt, enhancing DORE's returns.

The start deployment of the IPO proceeds supports DORE's near-term dividend target and may even suggest that this could be exceeded. Not, despite this string of good news, 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.

Diversified renewable energy and infrastructure

Downing Renewables and Infrastructure Trust aims to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets located in the UK, Ireland and Northern Europe.

Targeting a 3% rise to 5% dividend yield on issue price, dividends paid quarterly.

DORE's policy of diversification by technology and geography reduces resource-related risk.

Swedish power prices are trending higher. By contrast, falling gas prices and renewable additions are weighing on UK price forecasts.

101: Marten & Co was paid to produce this note on Downing Renewables and Infrastructure Trust Plc and is for information purposes only. It is not intended to encourage the reader to buy the security or 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.

AVI Japan Opportunity Trust
Investment companies | Initiation | 25 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).

Unlocking value in Japanese smaller companies

AJOT aims to achieve capital growth in excess of the MSCI Japan SmallCap 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.

Sector		Japanese smaller companies
Ticker		AJOT.LR
Base currency		GBP
Time		112.21p
NAV		112.0p
Premium(discount)		0.22%
Yield		1.2%

The Japanese markets are undervalued, having underperformed other major markets.

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

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

AVI, Marten & Co was paid to produce this note on AVI Japan Opportunity Trust PLC and its for information purposes only. It is not intended to encourage the reader to buy the equity or 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 (retail clients) under the rules of the Financial Conduct Authority.



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. After a COVID-related lull in corporate activity last year, things are heating up and this is flowing through into AJOT's NAV.

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.

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.

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.

Sector		Technology and cloud
Ticker		PCT.LR
Base currency		GBP
Time		202.0p
NAV		206.7p
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.

Fundamental shift in the way we work.

Identify companies that can earn super-normal profits.

AVI, Marten & Co was paid to produce this note on Polar Capital Technology Trust PLC and its for information purposes only. It is not intended to encourage the reader to buy the equity or 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 (retail clients) under the rules of the Financial Conduct Authority.

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.

SEE INSIDE FOR QUOTEDDATA CERTIFICATE & TO CLAIM A HOUR OF STRUCTURED CPD

QuotedData
BY MARTEN & CO

AN INDEPENDENT GUIDE TO
QUOTED INVESTMENT COMPANIES

CISI ENDORSED CPD
2021-2022

SPONSORED BY

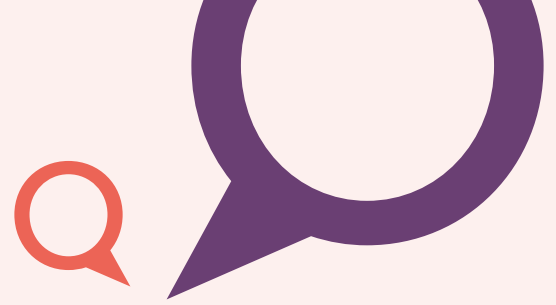
Aberdeen Standard Investments | JUPITER | POLAR CAPITAL

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



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 any of the 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.

Marten & Co may have or may be seeking a contractual relationship with any of the securities mentioned within the note for activities including the provision of sponsored research, investor access or fundraising services.

The analysts who prepared this note may have an interest in any of the securities mentioned within 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 may make of this information. The information is inherently subject to change without notice and may become outdated. You, therefore, should verify any information obtained from this note before you use it.

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 of 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.

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 may also cause the value of underlying overseas investments to go down as well as up. Marten & Co may 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.

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

**123a Kings Road, London SW3 4PL
0203 691 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)

David McFadyen (dm@martenandco.com)

Colin Edge (ce@martenandco.com)

Nick Potts (np@martenandco.com)

INVESTMENT COMPANY RESEARCH:

Matthew Read (mr@martenandco.com)

James Carthew (jc@martenandco.com)

Jayna Rana (jr@martenandco.com)

Richard Williams (rw@martenandco.com)