



April 2023

Monthly roundup | Investment companies

Kindly sponsored by abrdn

## Winners and losers in March 2023

Technology & technology innovation (renamed this month from technology & media) was one of only two sectors with positive returns for the month thanks to a considerable overweight to mega cap tech. Their outperformance appears to be a symptom of a dramatic fall in global bond yields precipitated by the collapse of SBV. Falling yields are driving investors back into longer duration stocks. However, flows out of cyclicals and more risky areas of the market suggest that they are also seeking the relative safety of highly liquid, cash printing companies like Apple, Microsoft, and Google. Europe was the other sector with positive returns with Fidelity European Trust contributing the lion's share of the outperformance. The trust was a beneficiary of defensive positioning across staples and luxury assets as well as a falling USD, which also contributed to the returns of Asia Pacific and Japan. It was a surprise to see property – debt show up. However, this was more a function of some idiosyncrasies within the sector, namely the continued wind down of Starwood European Real Estate Finance.

### Best performing sectors in March 2023 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 31/03/23 (%)	Median sector market cap 31/03/23 (£m)	Number of companies in the sector
Technology & technology innovation	2.8	6.8	(10.9)	1,728	2
Europe	0.5	0.7	(11.3)	408	7
Property - debt	(0.1)	0.8	(11.0)	63	6
Asia Pacific	(0.3)	0.0	(9.4)	456	5
Japanese smaller companies	(0.7)	1.7	(7.8)	166	5

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

### Worst performing sectors in March 2023 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 31/03/23 (%)	Median sector market cap 31/03/23 (£m)	Number of companies in the sector
Property - UK residential	(10.5)	-	(58.4)	172	7
Property - UK healthcare	(10.4)	-	(26.2)	404	2
Growth capital	(9.9)	(0.2)	(54.2)	114	7
Biotechnology & healthcare	(9.5)	(2.0)	(9.1)	567	6
Global smaller companies	(7.7)	(3.1)	(14.9)	750	6

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

UK residential property was the worst performing sector for the month as the two social housing specialists, Civitas Social Housing and Triple Point Social Housing REIT, saw their share prices fall by double-digits. This is despite Triple Point reporting a valuation uplift in 2022. The ongoing debacle at Home REIT, which is currently under investigation for bribery, among other things, may be (unfairly) impacting sentiment towards the social housing players. The UK property healthcare sector was next

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

on the list and is made up of two aged care REITs which tend to be relatively uncorrelated to wider macro volatility, so it was somewhat of a surprise to see these feature. However, it is clear that the entire sector is under pressure as rising interest rates weigh on profitability while the regional banking crisis has also raised concerns around solvency given the amount of leverage in the industry. A bid in the sector (for Industrials REIT) could bolster sentiment in April.

Outside of property, a number of cyclically exposed companies also underperformed as markets began to price an increasing risk of recession following the banking crisis earlier in the month. SVB's collapse and rising interest rates have also affected the ability for more risky sectors of the market to access capital. Healthcare is generally considered more defensive, and as such should have benefited from these flows, however biotech tends to fall outside of this characterisation, with companies generally requiring significant amounts of cash to maintain their R&D pipelines.

## Best performing funds in total NAV (LHS) and share price (RHS) terms over March 2023

Fund	Sector	(%)	Fund	Sector	(%)
Triam Investors 1	Financials and financial innovation	12.9	Globalworth Real Estate Investments	Property - Europe	20.7
Symphony International Holding	Private equity	10.2	Symphony International Holding	Private equity	14.5
Golden Prospect Precious Metal	Commodities & natural resources	9.4	Golden Prospect Precious Metal	Commodities & natural resources	7.4
Manchester & London	Global	7.8	Downing Renewables & Infrastructure	Renewable energy infrastructure	6.6
Allianz Technology Trust	Technology & technology innovation	6.9	Manchester & London	Global	6.0
Polar Capital Technology	Technology & technology innovation	6.7	Martin Currie Global Portfolio	Global	5.9
Martin Currie Global Portfolio	Global	4.7	JZ Capital Partners	Private equity	4.8
Vietnam Enterprise	Country specialist	3.7	VH Glob Sustainable Energy Opp	Renewable energy infrastructure	4.5
ICG Enterprise Trust	Private equity	3.6	Utilico Emerging Markets	Global emerging markets	3.9
Menhaden Resource Efficiency	Environmental	3.6	Dunedin Enterprise	Private equity	3.7

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/03/23

The performance of Globalworth Real Estate stands in contrast to the wider moves in the property sector discussed above, however, its share price gain needs to be put in the context of a 45% drop over the past year. Triam Investors 1 rose as it distributed more of its assets to shareholders. It will likely wind up later this month. A number of private equity funds continue to outperform despite wider public market volatility, although Symphony is relatively unique in that it targets high growth sectors in Asia. The company's investments have benefited from the stability of equity markets in places such as India and Singapore which have been less impacted by broader market volatility. Global funds, including Manchester & London, Martin Currie Global Portfolio and Menhaden Resource Efficiency have benefited from their exposure to large cap US tech, for reasons discussed above. Commodities have had a relatively rough time of late, although they managed to gain some respite as the USD retreated. Gold, on the other hand, has vaulted higher – up over 20% over the past month – as central bankers are no longer able to fight inflation as hard as they might have liked due to concerns around financial stability, driving Golden Prospect Precious Metal's outperformance.

## Worst-performing

It's not surprising to see a wide representation of REITs making up the worst performing list of funds, particularly in commercial property, which is facing a multitude of headwinds. As we briefly touched on above, the sector is highly leveraged while valuations look stretched at the same time as demand for rent falters. Add to this concerns around lender solvency and you

get the rapid derating of the sector which we are seeing below. Phoenix Spree has a stock-specific problem in that weak sales of condominiums in Berlin are restricting its ability to pay a dividend. Outside of real estate, the overwhelming theme of the worst performers is the rotation away from risk; small caps, biotech growth, nascent renewable infrastructure, all of which have large capital requirements and relatively weak balance sheets reliant on external funding for growth. The fall in HydrogenOne's share price seemed overdone to us – government money is pouring into the hydrogen sector, globally. Interestingly, Polar Capital Global Financials is the only pure play financial that shows up on any of our worst performer lists (despite having no exposure to the banks that ran into trouble), which is perhaps a reflection of how well policy makers have managed the SBV collapse and resulting collateral damage. The relative underperformance of companies that rely on funding from banks like SBV also highlights the risks associated with sectors leveraged to cheap capital. UK small cap seems to have taken another tumble in March. Some of that may relate to the SVB issue.

## Worst performing funds in total NAV (LHS) and share price (RHS) terms over March 2023

Fund	Sector	(%)	Fund	Sector	(%)
Regional REIT	Property - UK commercial	(25.2)	HydrogenOne Capital Growth	Renewable energy infrastructure	(29.5)
Supermarket Income REIT	Property - UK commercial	(20.3)	Phoenix Spree Deutschland	Property - Europe	(27.5)
Biotech Growth	Biotechnology & healthcare	(14.0)	Digital 9 Infrastructure	Infrastructure	(26.1)
Life Science REIT	Property - UK commercial	(13.9)	Schiehallion Fund	Growth capital	(23.5)
Geiger Counter	Commodities & natural resources	(12.7)	Aseana Properties	Property - rest of world	(23.1)
Polar Capital Global Financials	Financials and financial innovation	(10.1)	Seraphim Space Investment Trust	Growth capital	(18.3)
Henderson Opportunities	UK all companies	(9.6)	RTW Venture	Biotechnology & healthcare	(18.2)
Aberforth Split Level Income	UK smaller companies	(9.1)	Triple Point Social Housing REIT	Property - UK residential	(16.7)
Odyssean Investment Trust	UK smaller companies	(9.1)	NB Private Equity Partners Class A	Private equity	(16.1)
Miton UK Microcap	UK smaller companies	(8.1)	Civitas Social Housing	Property - UK residential	(14.8)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/03/23

## Moves in discounts and premiums

The narrowing of the discounts for the two REITs is a result of a significant negative adjustment to NAV for both companies. It's not clear what drove Chelverton's higher premium however the company has taken it as an opportunity to issue more shares. Downing Renewables is riding the positive news from its annual results, reporting a NAV total return for 2022 of almost 20%. It probably also helped that a frustrated board authorised share buybacks on the trust. Even after its impressive share price rise over March, Globalworth remains on a very wide discount. This may reflect investors' concerns over the prospects for eastern Europe's economy as the war in Ukraine rumbles on.

At the other end of the scale, Digital 9 and HydrogenOne saw their discounts widen further, with both trading roughly 50% below NAV at the end of March. Despite this, the companies saw NAV uplifts through 2022 and both have released trading updates over the past month to reassure investors of the underlying health of their assets. Unfortunately, the weakness appears to be driven by wider macroeconomic conditions (chiefly rising interest rates) with the renewable infrastructure and growth capital sectors particularly weak over the last few months. Phoenix Spree Deutschland was discussed above.

## More expensive (LHS) and cheaper (RHS) relative to NAV over March 2023

Fund	Sector	Disc/ Prem 28/02/23 (%)	Disc/ Prem 31/03/23 (%)	Fund	Sector	Disc/ Prem 28/02/23 (%)	Disc/ Prem 31/03/23 (%)
Regional REIT	Property – UK commercial	(40.2)	(29.3)	Digital 9 Infrastructure	Infrastructure	(23.8)	(44.3)
Supermarket Income REIT	Property – UK commercial	(20.9)	(10.7)	HydrogenOne Capital Growth	Renewable energy infrastructure	(31.1)	(51.5)
Chelverton UK Dividend Trust	UK smaller companies	0.6	7.3	Phoenix Spree Deutschland	Property - Europe	(39.5)	(56.2)
Downing Renewables & Infrastructure	Renewable energy infrastructure	(13.8)	(8.6)	Doric Nimrod Air Three	Leasing	91.5	76.9
Globalworth Real Estate Investments	Property - Europe	(65.6)	(60.8)	Schiehallion Fund	Growth capital	(26.3)	(40.4)

Source: Morningstar, Marten & Co

## Money raised and returned

Money raised for the month was mostly a case of the usual suspects with City of London, Ruffer, and Merchants taking advantage of their respective premiums to raise capital. CTY in particular has picked up where it left off, having raised £65.5m at the back end of last year. BlackRock World Mining also features, capitalising on its impressive 2022 performance. The lack of new faces reflects what has been a relatively challenging environment for the trust universe over the last few months

For those companies returning cash, Trian headlines the list as it distributed its Unilever shares and goes through the process of winding up. RIT Capital Partners has also been aggressively buying back shares, after its shares fell to a discount almost on par with its pandemic nadir.

SLF Realisation left the sector during March and JPMorgan Global Growth & Income converted its C shares, which saw a total of 58,605,746 ordinary shares enter circulation.

## Money raised (LHS) and returned (RHS) over March 2023 in £m

Fund	Sector	£m raised	Fund	Sector	£m returned
City of London	UK equity income	40.3	Trian Investors 1	Financials	(419.8)
Ruffer Investment Company	Flexible investment	12.1	RIT Capital Partners	Flexible investment	(42.9)
Merchants Trust	UK equity income	11.1	NB Global Monthly Income Fund Ltd GBP	Debt - loans & bonds	(31.3)
BlackRock World Mining Trust	Commodities & natural resources	9.3	Worldwide Healthcare	Biotechnology & healthcare	(23.4)
Law Debenture	UK equity income	8.1	Pershing Square Holdings	North America	(20.2)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/03/23. Note: based on the approximate value of shares at 31/03/23

## Major news stories and QuotedData views over March 2023

Portfolio developments	Corporate news
<ul style="list-style-type: none"> <li>Impressive numbers but still work to be done for Riverstone Energy</li> <li>Downing Renewables expands hydropower portfolio, ups dividend</li> <li>Pantheon Infrastructure makes solid start</li> <li>India Capital Growth's manager bought by AssetCo</li> <li>Alliance Trust beats benchmark over volatile 2022</li> <li>Stunning 2022 extends Oakley's track record of outperformance</li> <li>Solid performance but weak yen weighs down AVI Japan</li> <li>Outperformance and opportunity for VietNam Holding</li> <li>HydrogenOne Capital Growth provides portfolio update</li> </ul>	<ul style="list-style-type: none"> <li>Surprise largish vote against Henderson Opportunities continuation</li> <li>Proposal to liquidate abrdn Latin American Income</li> <li>Shake up at Scottish Mortgage – chair out</li> <li>Dolphin Capital fires manager following “undisclosed” property agreement</li> <li>Home REIT looks to replace investment adviser</li> <li></li> </ul>
Property news	Manager news
<ul style="list-style-type: none"> <li>Ediston Property considers future</li> <li>Good year for Empiric Student Property</li> <li>Regional REIT's valuations hit by rising interest rates</li> <li>Inflation-linked leases helps Impact Healthcare REIT post strong results</li> </ul>	<ul style="list-style-type: none"> <li>Digital9 may have a new manager by Q2 2023</li> <li>Nick Greenwood resigns from Premier Miton</li> <li>Crystal Amber looks to unseat De la Rue chair, Loosemore</li> </ul>
QuotedData views	
<ul style="list-style-type: none"> <li>QD View – Discount opportunity on digital disruptor, DGI9 – 31 March 2023</li> <li>QD view – Beyond dividend heroes – 24 March 2023</li> <li>QD view – A Silicon Valley bust? – 17 March 2023</li> </ul>	<ul style="list-style-type: none"> <li>QD view – Global voyage in search of income – 10 March</li> <li>QD view – Discounts – time to get serious – 3 March 2023</li> </ul>
<p>Visit <a href="https://www.quoteddata.com">www.quoteddata.com</a> for more on these and other stories plus in-depth analysis on some funds, the tools to compare similar funds and basic information, key documents and regulatory news announcements on every investment company quoted in London</p>	

## 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:

- abrdn China Investment Company Annual Results – 11 April
- Master Investor Show 2023 – The UK's largest event for private investors – 15 April
- Fondul Proprietatea AGM – 21 April
- Schroder Asian Total Return AGM – 25 April
- RIT Capital Partners AGM – 26 April
- Mobius Investment Trust AGM 2023 – 26 April
- Smithson Investment Trust AGM - 27 April
- AVI Japan Opportunity Trust AGM – 2 May
- Dunedin Income Growth manager presentation – 3 May
- Apax Global Alpha AGM – 3 May
- Temple Bar AGM – 9 May
- The Renewables Infrastructure Group AGM – 10 May
- Dunedin Income Growth AGM – 16 May
- Nippon Active Value AGM – 8 June

## 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
13 January	DGI9, AT85	Thao Ngo	Vietnam Enterprise
20 January	RICA, ORIT	Stephanie Sirota	RTW Venture Fund
27 January	JLEN, HGEN, USF, HNE	Eileen Fargis	Ecofin US Renewables
3 February	SOHO, AERI	Will Fulton	UK Commercial Property REIT
10 February	3IN, CCJI, CHRI	Colm Walsh	ICG Enterprise
17 February	IBT, ASCI	James Dow	The Scottish American Investment Company
24 February	HEIT, NESF	Jean Hugues de Lamaze	Ecofin Global Utilities and Infrastructure
03 March	AEET/AEEE, PEY/PEYS, SOHO	David Bird	Octopus Renewables Infrastructure Trust
10 March	ATST, FCIT, HOT, OCI	Anthony Catachanas	VH Global Sustainable Energy Opportunities
17 March	BGLF / BGLP, EPIC, SMT, ALAI	James Hart	Witan Investment Trust
24 March	SMT	Richard Staveley	Rockwood Strategic
31 March	GOT, PSDL, TFG, MNTN	Alex O'Cinneide	Gore Street Energy Storage Fund
Coming up			
14 April		Stephen Inglis	Regional REIT
21 April		Jean Roche	UK Mid Cap Fund
28 April		Craig Baker	Alliance Trust
12 May		Kamal Warraich	Canaccord Genuity Wealth

## 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](http://www.quoteddata.com) if you would like it emailed to you directly.

## Research

**QuotedData**  
BY MARTEN & CO

**INVESTOR**

**AVI Global Trust**  
Investment companies | Update | 9 March 2023

**Doubly blessed**

AVI Global Trust (AGT) offers investors a unique opportunity to access a distinctive portfolio of good-quality investments that are selected because the managers believe that they are trading at a discount to their intrinsic value.

Thanks to recent market movements, AGT's 'double discount' – its own share price discount to NAV plus the discount on the underlying portfolio – now sits on an abnormally wide level. The management team has been tactically increasing AGT's market exposure to tap into these discount-opportunities. This gives AGT's shareholders the potential to benefit from a powerful combination of NAV gains and discount closing. AGT has demonstrated the success of its approach, which has been the main driver of the trust's highly-competitive near-to-mid-term performance. AGT's NAV returns are first in its peer group over three years to end February 2023 (see page 15).

**Extracting value from discounted opportunities**

AGT aims to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value. It invests in quality assets held through unconventional structures that tend to attract discounts. These types of companies include holding companies, closed-end funds, and asset-backed special situations.

Indicator	Quoted
Total	AGT LN
Base currency	GBP
Price	200.0p
NAV	224.4p
Premium/discount	(10.4%)
Yield	1.8%

AGT's 'double discount' is on an abnormally wide level

AGT could benefit from a 'double-dip' of both surging asset values and narrowing discounts as the current bear market subsides

AGT has a long-term record of outperformance relative to both its competitors and peer group

AVI Global Trust (AGT) offers investors a unique opportunity to access a distinctive portfolio of good-quality investments that are selected because the managers believe that they are trading at a discount to their intrinsic value. Thanks to recent market movements, AGT's 'double discount' – its own share price discount to NAV plus the discount on the underlying portfolio – now sits on an abnormally wide level. The management team has been tactically increasing AGT's market exposure to tap into these discount-opportunities. This gives AGT's shareholders the potential to benefit from a powerful combination of NAV gains and discount closing. AGT has demonstrated the success of its approach, which has been the main driver of the trust's highly-competitive near-to-mid-term performance. AGT's NAV returns rank first in its peer group over three years to end February 2023 (see page 15)

JLEN Environmental Assets (JLEN) experienced an eventful but fruitful 2022. Volatile power prices, rampant inflation, rising interest rates and new taxes buffeted the renewables sector but generally acted as a tailwind for net asset value (NAV) growth. Some of these issues will continue to affect the sector in 2023. We explore all of these from page 4 onwards. JLEN's managers can have little influence on these big macroeconomic factors but they can, through their investment activity, lay the foundations for future NAV uplifts

**QuotedData**  
BY MARTEN & CO

**INVESTOR**

**JLEN Environmental Assets**  
Investment companies | Annual overview | 31 March 2023

**Laying the foundations for NAV growth**

In common with its peers, JLEN Environmental Assets (JLEN) experienced an eventful but fruitful 2022. Volatile power prices, rampant inflation, rising interest rates and new taxes buffeted the renewables sector but generally acted as a tailwind for net asset value (NAV) growth. Some of these issues will continue to affect the sector in 2023. We explore all of these from page 4 onwards.

JLEN's managers can have little influence on these big macroeconomic factors but they can, through their investment activity, lay the foundations for future NAV uplifts.

At the end of its last accounting year, JLEN had 8% of its portfolio in assets under construction or development, and a pipeline of new opportunities. As they reach maturity, these projects can act as an engine for capital growth.

**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 these assets is underpinned by a global commitment to support the transition to a low carbon economy and mitigate the effects of climate change.


Indicator	Renewable energy infrastructure
Total	JLEN LN
Base currency	GBP
Price	198.0p
NAV	129.6p
Premium/discount	(35.1%)
Yield	6.1%

JLEN's NAV returns over the past 12 months have been very strong

Around 50% of JLEN's forecasted revenues on a net present value basis are linked to inflation as measured by the RPI

JLEN has a healthy pipeline of potential investments including in the area of controlled environments and hydrogen





## Pantheon Infrastructure

Investment companies | Initiation | 17 March 2022

**Reliable income streams with inflation protection**

Since its launch in November 2021, Pantheon Infrastructure (PINT) has been busy assembling a diverse portfolio of 11 investments in infrastructure projects, located in developed markets. The majority of these have explicit inflation-linkage built into their structure or implicit protection through regulation or market position. In addition, the company is substantially hedged against foreign exchange movements. Whilst it is still early days for the trust, the NAV has made positive progress.

PINT's ambition is to generate NAV total returns of between 8% and 10% per annum over the long term. This is intended to come in the form of both capital and income growth. For this financial year, the trust is targeting a dividend of 4p per share.

PINT still has about £70m of funds available to deploy into new investments (see page 16). The manager says that the tailwinds that support the demand for new infrastructure, and the growth opportunities that accompany it, remain strong across all the sub-sectors the company is active in. Once PINT's discount is eliminated, we would expect to see the company grow through share issuance.

**Global high-quality infrastructure with strong ESG credentials**

PINT aims to provide access to a globally diversified portfolio of high-quality infrastructure assets, primarily in developed OECD markets, which will generate sustainable attractive returns over the long term. It targets co-investment assets that have strong ESG credentials and underpin the transition to a low-carbon economy.

**QuotedData**  
BY MARTEN & CO


**INVESTOR**

Indicator	Infrastructure
Ticker	PINT LN
Base currency	GBP
Price	58.8p
NAV	60.7p
Premium(discount)	(12.2%)
Yield	4.8%

Price 11 March 2022, NAV 21 December 2021, based on PINT's FY 2021 annual report to 2021

- “Making infrastructure accessible”
- “Digital, renewables and energy efficiency, power and utilities, transport and logistics”
- “PINT has a higher total return target than most traditional infrastructure funds”

Pantheon Infrastructure (PINT) has been busy assembling a diverse portfolio of 11 investments in infrastructure projects, located in developed markets. The majority of these have explicit inflation-linkage built into their structure or implicit protection through regulation or market position. In addition, the company is substantially hedged against foreign exchange movements. Whilst it is still early days for the trust, the NAV has made positive progress. PINT's ambition is to generate NAV total returns of between 8% and 10% per annum over the long term. This is intended to come in the form of both capital and income growth. For this financial year, the trust is targeting a dividend of 4p per share. PINT still has about £72m of funds available to deploy into new investments (see page 16). The manager says that the tailwinds that support the demand for new infrastructure, and the growth opportunities that accompany it, remain strong across all the sub-sectors the company is active in. Once PINT's discount is eliminated, we would expect to see the company grow through share issuance.



## Oakley Capital Investments

Investment companies | Initiation | 4 April 2022

**The best-performing UK-listed private equity fund**

Oakley Capital Investments (OCI) invests in private equity funds managed by Oakley Capital Limited (Oakley). OCI is, as we show on page 22, the best-performing fund in its peer group over five years. As evidenced by its latest full-year results, this has been achieved in spite of a difficult macroeconomic backdrop.

OCI believes that this can be attributed to three core factors:

- the expertise that its adviser has built in a focused group of sectors (technology, consumer, education) over 20 years of private equity investing;
- a unique investment origination strategy, which continues to unearth opportunities that others cannot access (seven new investments were made last year);
- and a set of proven value-creation strategies that help accelerate the earnings growth of the companies that OCI backs (22% EBITDA growth on average over 2022, accounting for around two-thirds of OCI's NAV growth over 2022).

The success of the approach is evidenced by OCI's 23% compound annual growth rate of its net asset value (NAV) over five years.

**Consistent long-term returns from private equity**

OCI aims to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by providing exposure to private equity returns, where value can be created through market growth, consolidation and performance improvement.

**QuotedData**  
BY MARTEN & CO

**INVESTOR**

Indicator	Private equity
Ticker	OCI LN
Base currency	GBP
Price	442.8p
NAV	460.8p
Premium(discount)	(32.4%)
Yield	1.0%

- “OCI offers access to a diverse range of businesses that are not represented in public markets”
- “Oakley's main funds only buy profitable businesses”
- “Realisations achieved in 2022 at an average 50% premium to their value in the NAV of about 70%”

Oakley Capital Investments (OCI) invests in private equity funds managed by Oakley Capital Limited (Oakley). OCI is, as we show on page 22, the best-performing fund in its peer group over five years. As evidenced by its latest full-year results, this has been achieved in spite of a difficult macroeconomic backdrop. OCI believes that this can be attributed to three core factors: the expertise that its adviser has built in a focused group of sectors (technology, consumer, education) over 20 years of private equity investing; a unique investment origination strategy, which continues to unearth opportunities that others cannot access (seven new investments were made last year); and a set of proven value-creation strategies that help accelerate the earnings growth of the companies that OCI backs (22% EBITDA growth on average over 2022, accounting for around two-thirds of OCI's NAV growth over 2022). The success of the approach is evidenced by OCI's 23% compound annual growth rate of its net asset value (NAV) over five years.





## India Capital Growth

Investment companies | Update | 15 March 2022

### Don't Stop Believin'

India Capital Growth's (ICG's) adviser, Gaurav Narain, says that at a time when many economies and equity markets are struggling, there are many reasons to be optimistic about the outlook for the Indian economy. Although down in sterling absolute terms during the last 12 months, the Indian market made progress in local currency terms and has performed well relative to its emerging market peers, benefitting from a good run in the second half of 2022 from which ICG also benefitted.

Despite the recent market setback so far this year, Gaurav thinks there is more upside to come, noting that business confidence is high (both the services and manufacturing purchasing managers indexes (PMIs) were over 55 at the end of February and have been around this level for some time – see page 6). Gaurav notes that valuations remain elevated even after the recent setback, but recent market volatility has thrown up opportunities and ICG's own discount to net asset value (NAV) offers value, particularly with a redemption opportunity where the exit discount is set at a maximum 3% of NAV and the additional resource that the manager's absorption into AssetCo Plc should bring (see pages 4 and 5).

Indicator	India
Ticker	ICG LN
Base currency	GBP
Price	134.00p
NAV	132.13p
Premium/discount	(1.4%)
Yield	NA

Business confidence is high and growth momentum is strong

December 2022 redemption opportunity will be conducted at a maximum exit discount to NAV of 3%

ICG's outperformance of its peers over the last six months and one-year is particularly stark

### Mid- and small-cap listed investments in India

ICG's investment objective is to provide long-term capital appreciation by investing (directly or indirectly) in companies based in India. The investment policy permits the company to make investments in a range of Indian equity securities and Indian equity-linked securities. The company's investments are predominantly in listed mid- and small-cap Indian companies.

© 2022 Marten & Co. All rights reserved. This report is for information purposes only. It is not intended to constitute the recommendation of 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 Financial Conduct Authority. Marten & Co. is not permitted to provide investment advice to individual investors (except as may be permitted under the rules of the Financial Conduct Authority).

India Capital Growth's (ICG's) adviser, Gaurav Narain, says that at a time when many economies and equity markets are struggling, there are many reasons to be optimistic about the outlook for the Indian economy. Although down in sterling absolute terms during the last 12 months, the Indian market made progress in local currency terms and has performed well relative to its emerging market peers, benefitting from a good run in the second half of 2022 from which ICG also benefitted. Despite the recent market setback so far this year, Gaurav thinks there is more upside to come, noting that business confidence is high (both the services and manufacturing purchasing managers indexes (PMIs) were over 55 at the end of February and have been around this level for some time – see page 6). Gaurav notes that valuations remain elevated even after the recent setback, but recent market volatility has thrown up opportunities and ICG's own discount to net asset value (NAV) offers value, particularly with a redemption opportunity where the exit discount is set at a maximum 3% of NAV and the additional resource that the manager's absorption into AssetCo Plc should bring (see pages 4 and 5).

JPMorgan Japanese Investment Trust (JFJ) has a large exposure to good quality companies that are at the forefront of the modernisation of the Japanese economy. The portfolio embraces businesses in robotics, ecommerce, digitalisation, healthcare, and renewables. It also backs some great Japanese brands and businesses that are helping the economy adapt to an ageing population. These are 'growth' stocks and, as we discussed in our last note, even though Japan has not, as yet, experienced the interest rate rises that triggered the selloff in growth stocks in other markets, their share prices have plunged, and this has impacted on JFJ's performance. The trust's managers, Nicholas Weindling and Miyako Urabe, highlight the valuation opportunity that this has created; Japan was out of favour before this fall, the stocks in the portfolio are cheaper yet still boast superior earnings growth prospects than the average Japanese company, and the yen is undervalued (a stronger yen relative to the pound would boost JFJ's returns). This could be a good chance to back a former sector-leading trust, while underlying valuations look cheap.



## JPMorgan Japanese Investment Trust

Investment companies | Annual overview | 22 March 2022

### Backing the new Japan

JPMorgan Japanese Investment Trust (JFJ) has a large exposure to good quality companies that are at the forefront of the modernisation of the Japanese economy. The portfolio embraces businesses in robotics, ecommerce, digitalisation, healthcare, and renewables. It also backs some great Japanese brands and businesses that are helping the economy adapt to an ageing population.

These are 'growth' stocks and, as we discussed in our last note, even though Japan has not, as yet, experienced the interest rate rises that triggered the selloff in growth stocks in other markets, their share prices have plunged, and this has impacted on JFJ's performance.

The trust's managers, Nicholas Weindling and Miyako Urabe, highlight the valuation opportunity that this has created; Japan was out of favour before this fall, the stocks in the portfolio are cheaper yet still boast superior earnings growth prospects than the average Japanese company, and the yen is undervalued (a stronger yen relative to the pound would boost JFJ's returns). This could be a good chance to back a former sector-leading trust, while underlying valuations look cheap.

Indicator	Japan
Ticker	JFJ LN
Base currency	GBP
Price	482.50p
NAV	480.50p
Premium/discount	(0.4%)
Yield	1.3%

The stagnation of the Japanese economy has not constrained average earnings growth.

The emphasis is on long-term sustainability of returns, and there is a clear bias in favour of quality businesses and growth.

This could be a good chance to back a former sector-leading trust, while underlying valuations look cheap.

### Capital growth from Japanese equities

JFJ aims to produce capital growth from a portfolio of Japanese equities and can use borrowing to gear the portfolio within the range of 5% net cash to 20% geared in normal market conditions.

© 2022 Marten & Co. All rights reserved. This report is for information purposes only. It is not intended to constitute the recommendation of 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 Financial Conduct Authority. Marten & Co. is not permitted to provide investment advice to individual investors (except as may be permitted under the rules of the Financial Conduct Authority).



## 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](https://www.abrdn.co.uk/invtrusts)**

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.



## Appendix 1 – median performance by sector, ranked by 2023 year to date price total return

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 31/03/23 (%)	Discount 28/02/23 (%)	Change in discount (%)	Median mkt cap 31/03/23 (£m)
1	Technology & Media	12.9	17.9	(14.5)	(10.9)	(3.6)	1,728
2	Europe	9.5	10.3	(10.8)	(11.3)	0.5	408
3	Environmental	7.3	7.2	(13.3)	(12.7)	(0.6)	76
4	European Smaller Companies	4.7	6.6	(14.1)	(11.9)	(2.3)	485
5	UK Equity & Bond Income	3.5	4.8	(0.7)	(1.2)	0.6	222
6	Latin America	2.8	4.6	(10.7)	(9.4)	(1.3)	68
7	Global	2.5	4.4	(10.2)	(9.0)	(1.2)	896
8	Farmland & Forestry	2.1	0.0	2.9	0.00	2.9	186
9	UK Equity Income	1.9	3.0	(4.0)	(4.1)	0.1	325
10	UK All Companies	1.8	3.6	(13.2)	(12.0)	(1.3)	192
11	Japanese Smaller Companies	1.6	1.5	(9.1)	(7.8)	(1.3)	166
12	Japan	1.6	3.4	(9.8)	(8.6)	(1.1)	236
13	Property - Debt	1.6	0.8	(12.6)	(11.0)	(1.6)	63
14	Debt - Structured Finance	1.4	3.7	(17.8)	(13.4)	(4.4)	144
15	Asia Pacific Smaller Companies	1.3	2.7	(13.0)	(11.5)	(1.5)	363
16	Asia Pacific Equity Income	1.1	2.4	(8.4)	(8.0)	(0.4)	359
17	Global Equity Income	0.9	7.3	(3.3)	(0.8)	(2.4)	343
18	Global Emerging Markets	0.7	1.7	(10.1)	(8.5)	(1.6)	255
19	North American Smaller Companies	0.2	1.4	(11.7)	(9.4)	(2.3)	197
20	Property - Europe	0.0	0.0	(12.8)	(9.4)	(7.9)	282
21	Leasing	(0.1)	1.3	(14.5)	(3.1)	(0.9)	131
22	UK Smaller Companies	(0.2)	0.4	(8.1)	(9.0)	(1.8)	124
23	Debt - Loans & Bonds	(0.2)	2.0	(30.6)	(6.8)	(1.7)	124
24		(0.8)	0.0	(63.2)	(8.0)	(7.9)	604
25	Asia Pacific	(1.0)	0.6	(14.4)	(10.9)	(0.4)	456
26	Global Smaller Companies	(1.6)	1.9	(13.9)	(12.5)	(2.9)	750
27	Flexible Investment	(1.9)	0.3	(9.1)	(24.9)	1.9	87
28	China / Greater China	(2.1)	(0.2)	(26.2)	(5.1)	(1.3)	254
29	Country Specialist	(2.2)	0.5	(49.5)	(41.5)	(2.4)	408
30	Liquidity Funds	(2.8)	1.4	(58.4)	(15.2)	(0.6)	1
31	Private Equity	(2.9)	0.0	(54.2)	(37.0)	(8.4)	324
32	Hedge Funds	(3.9)	(3.2)	NA	(25.7)	(0.7)	75
33	Debt - Direct Lending	(4.2)	1.7	(12.2)	(42.1)	(6.7)	211
34	Renewable Energy Infrastructure	(4.2)	1.3	(12.8)	(13.9)	0.2	456

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 31/03/23 (%)	Discount 31/02/23 (%)	Change in discount (%)	Median mkt cap 31/03/23 (£m)
34	India	(6.0)	(5.2)	(12.8)	(14.2)	1.4	245
35	Infrastructure	(6.4)	1.1	(14.5)	(8.3)	(6.3)	915
36	Infrastructure Securities	(6.7)	(4.8)	(8.1)	(7.4)	(0.7)	134
37	Property - UK Commercial	(7.6)	1.3	(30.6)	(26.1)	(4.5)	213
38	Property - Rest of World	(8.6)	0.0	(63.2)	(63.2)	0.0	37
39	Financials	(9.3)	0.0	(14.4)	(6.3)	(8.2)	169
40	Commodities & Natural Resources	(10.2)	0.0	(13.9)	(12.2)	(1.6)	52
41	Biotechnology & Healthcare	(10.2)	(0.9)	(9.1)	(8.2)	(0.9)	567
42	Property - UK Healthcare	(10.8)	1.6	(26.2)	(14.9)	(11.3)	404
43	Royalties	(10.8)	(0.5)	(49.5)	(46.2)	(3.3)	598
44	Property - UK Residential	(18.3)	0.9	(58.4)	(52.9)	(5.4)	172
45	Growth Capital	(18.4)	0.0	(54.2)	(50.5)	(3.8)	114
46	Insurance & Reinsurance Strategies	NA	(2.7)	NA	NA	NA	33
	MEDIAN	(3.9)	(1.9)	(12.2)	(8.4)	(3.7)	414

Source: Morningstar, Marten & Co



## IMPORTANT INFORMATION

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

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

Marten & Co is not authorised to give advice to retail clients. The note 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.

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 in 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 in 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.

**50 Gresham Street, London EC2V 7AY  
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@quoteddata.com)

David McFadyen (dm@quoteddata.com)

Colin Edge (ce@quoteddata.com)

Nick Potts (np@quoteddata.com)

**INVESTMENT COMPANY RESEARCH:**

James Carthew (jc@quoteddata.com)

Matthew Read (mr@quoteddata.com)

Richard Williams (rw@quoteddata.com)

David Johnson (dj@quoteddata.com)

Andrew Courtney (ac@quoteddata.com)