QuotedData
BY MARTEN & CO
INVESTOR

June 2023

Monthly roundup | Investment companies

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Winners and losers in May 2023

As anyone with a passing interest in markets will no doubt be aware, US tech is booming thanks to a rally in all things AI. The growth over the past few weeks has been so extreme that the S&P500 came within a hair of touching a technical bull market, closing just below a 20% gain from its October lows. It will be of no surprise then that US tech exposure dominated the best performing lists throughout the month. Technology & Technology Innovation led the way thanks to holdings in Nvidia, Apple, Microsoft, and a raft of other tech names. Nvidia alone was up 30% over the last week of the month.

Outside of tech, markets struggled in general. Civitas Social Housing REIT drove the UK residential property sector higher following a take private offer from Hong Kong-based investor CK Asset Holdings. The 80p per share cash offer represented a 44.4 per cent premium to Civitas' closing share price on 5 May, and had a knock-on effect for the sector, with Triple Point Social Housing rallying 17% following the news. While the offer has been accepted by the board, several commentators have suggested it should be rejected by shareholders as it undervalues the company's assets.

After a challenging period to start the year, Indian shares rebounded in May, boosted by positive inflation news with the central bank holding rates steady for the second consecutive meeting. Similar optimism was present in Latin America, with growing evidence of easing inflation and signs of improving economic conditions putting pressure on bankers to lower rates. The two emerging market economies were also boosted by a falling USD earlier in the month. UK healthcare property rounds out the list. The sector is made up of two care home REITs. There are no obvious catalysts for the month and sector returns are generally uncorrelated to wider market moves, although Target Healthcare did announce a modest uplift to its tangible asset value during the month.

Best performing sectors in May 2023 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 31/05/23 (%)	Median sector market cap 31/05/23 (£m)	Number of companies in the sector
Technology & Technology Innovation	13.8	14.5	(12.7)	1,900	2
Property - UK Residential	6.0	0.0	(57.3)	218	7
India/Indian Subcontinent	5.6	4.8	(12.4)	257	4
Latin America	4.6	5.0	(10.7)	72	2
Property - UK Healthcare	4.5	1.8	(16.4)	454	7

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 May 2023 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/04/23 (%)	Median sector market cap 30/04/23 (£m)	Number of companies in the sector
China / Greater China	(11.2)	(9.5)	(12.5)	204	4
Property - UK Logistics	(7.7)	0	(26.8)	640	3
UK Equity Income	(4.7)	0	(5.0)	315	20
Infrastructure Securities	(4.6)	(5.0)	(6.9)	130	2
Property - Europe	(3.5)	(1.2)	(47.2))	295	4

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

For the second month running, China headlines the worst performing sectors list. Struggles in the region are well documented with markets suffering from increasing geopolitical tensions along with wider concerns around both domestic and global demand. Since the end of the zero COVID restrictions, the economy has struggled to reach the lofty heights many expected, and data released through May continues a lacklustre run. Given the country's reliance on export demand, the numbers also paint a grim picture for the global economy with the OECD characterising the rebound in global GDP growth as "fragile", with the "risks tilted to the downside".

The logistics sector (as well as the wider real estate market) suffered as inflation numbers in the UK disappointed meaning expectations that interest rates may have peaked were wrong and another increase is likely. Concerns that demand for logistics space is waning have grown as too has the vacancy rate in the UK.

With 20 funds within the category and almost £12bn in market cap, the UK equity income sector tracks fairly closely to the broader market index, and its performance in May reflects a steady slowdown in economic activity. The energy and materials sectors led the way down thanks to broad-based weakness in commodity prices while exports and domestic consumption also fell. With rising terminal rate expectations weighing further on performance it is no surprise that markets trended downwards for the month and forecasts from the BoE suggest a relatively grim outlook for the rest of 2023

The Infrastructure Securities sector was led down by the Ecofin Global Utilities & Infrastructure trust which fell almost 9%. It was a tough month for infrastructure as the sector suffered from higher rates and flows into tech. The European property sector was dragged down by Globalworth Real Estate Investments which fell over 10%, with the company continuing to suffer from volatility in its eastern European real estate investments.

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

Fund	Sector	(%)	Fund	Sector	(%)
Allianz Technology Trust Ord	Technology & Technology Innovation	16.0	Civitas Social Housing Ord	Property - UK Residential	52.4
Polar Capital Technology Ord	Technology & Technology Innovation	13.0	HydrogenOne Capital Growth Ord	Renewable Energy Infrastructure	36.5
Riverstone Credit Opportunities Income	Debt - Direct Lending	9.9	CT Property Trust Ord	Property - UK Commercial	25.8
Manchester & London Ord	Global	9.9	Chrysalis Investments Limited Ord	Growth Capital	17.7
Greencoat Renewables	Renewable Energy Infrastructure	9.8	Triple Point Social Housing REIT Ord	Property - UK Residential	16.9
Marble Point Loan Financing Ord	Debt - Structured Finance	8.9	HgCapital Trust Ord	Private Equity	16.5
Baillie Gifford US Growth Ord	North America	8.3	abrdn Japan Investment Trust Ord	Japan	15.2
Pacific Assets Ord	Asia Pacific	6.6	Manchester & London Ord	Global	14.5
Ashoka India Equity Investment Ord	India/Indian Subcontinent	6.6	Polar Capital Technology Ord	Technology & Technology Innovation	13.9
Gulf Investment Fund Ord	Global Emerging Markets	6.4	Allianz Technology Trust Ord	Technology & Technology Innovation	13.8

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/23

As touched on in page 1, US tech was the big winner in May. The rally in AI further boosted the substantial outperformance of the sector with seven companies now accounting for more than 100% of the S&P500's market cap gain for the year (i.e in aggregate, the rest of the 493 companies in the index are down year to date). Allianz Technology, Polar Capital, Manchester & London, and Baillie Gifford US Growth each have significant overweights to these companies which include Microsoft, Apple, Alphabet, NVIDIA, and Tesla.

Riverstone Credit Opportunities Income was the standout trust not exposed to the tech trade. While recent returns are impressive, they need to be taken in the context of the last few years with the NAV yet to recover its pre-covid peak, while shares still trade at a discount of almost 50%. There wasn't any clear driver for Marble Point Loan Financing, however, shares in the trust are very thinly traded.

Pacific Assets rallied after the release of its annual report following a period of weakness. The company's performance has been impressive over the past 12 months, despite the raft of challenges present in the Asia Pacific region, outperforming both its benchmark and the wider peer group.

In terms of share price returns outside of the property and technology sectors HydrogeOne had a strong month. The fund has suffered from the rotation away from more risky sectors of the market and the rebound is perhaps result of a more risk-on mood precipitated by the AI trade as well as a reflection of the underlying value the fund provides. The company also announced a quarterly update during the month which highlighted a positive industry outlook and continued NAV growth which may have boosted returns further. Returns for Chrysalis have tracked closely to that of HydrogenOne, adding weight to the risk on narrative with the company also exposed to assets at the higher growth end of the spectrum. In addition, the company also announced annual results in May, highlighting solid operational performance.

The strong performance of abrdn Japan Investment Trust reflects the continued momentum in the Japanese stock market which is now up almost 20% year to date. The fund also benefited from the outperformance of the semiconductor sector which was boosted by the AI trade. Top 10 holding, Advantest, for example was up over 50% for the month.

Worst-performing

Livermore Investments was the worst performing fund in May by NAV growth. The company has been highly volatile over the past year bouncing around the best and worst performers segment on several occasions as it attempts to recover from its steep sell off in 2022. The list is otherwise dominated by Chinese funds for the second consecutive month, highlighting the challenges faced by the region. Elsewhere, both Riverstone Energy and Blackrock World Mining have suffered from the general malaise in commodity prices which have been trending down as global growth expectations fall. Merchants Trust also suffered from the commodity weakness while exposure to financials weighed further on the company.

In terms of share price movement, Majedie Investments fell 13% over the course of the month, although there does not appear to be any particular catalyst for the drop. The company invests across a range of different asset classes, describing its equity returns as idiosyncratic, and the trading volume for share is thin which may have contributed to the fall. ICG Longbow debt announced it had appointed an administrator to manage one of its Royale Life portfolio loans. Debt funds in general have been impacted by rising rate expectations in the UK which has also weighed on the abrdn property fund, as have concerns around demand for logistics space. The fall of the Golden Prospect Precious Metal fund reflects a softening month for the precious metal as rates edged higher and improving risk sentiment saw flows out of gold funds.

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

Fund	Sector	(%)	Fund	Sector	(%)
Livermore Investments Ord	Flexible Investment	(11.9)	Majedie Investments Ord	Flexible Investment	(12.8)
Fidelity China Special Ord	China / Greater China	(10.6)	BlackRock Energy and Resources Inc	Commodities & Natural Resources	(12.1)
JPMorgan China Growth & Income Ord	China / Greater China	(10.1)	ICG-Longbow Senior Sec. UK Prop Debt Inv	Property - Debt	(12.1)
abrdn China Investment Ord	China / Greater China	(8.8)	JPMorgan China Growth & Income Ord	China / Greater China	(11.9)
Riverstone Energy Ord	Commodities & Natural Resources	(8.5)	Fidelity China Special Ord	China / Greater China	(11.3)
Baillie Gifford China Growth Trust Ord	China / Greater China	(8.2)	Baillie Gifford China Growth Trust Ord	China / Greater China	(11.0)
Merchants Trust Ord	UK Equity Income	(7.8)	Globalworth Real Estate Investments Ord	Property - Europe	(10.2)
BlackRock World Mining Trust Ord	Commodities & Natural Resources	(7.6)	Golden Prospect Precious Metal Ord	Commodities & Natural Resources	(10.1)
Macau Property Opportunities Ord	Property - Rest of World	(7.5)	abrdn Property Income Trust Ord	Property - UK Commercial	(9.6)
Temple Bar Ord	UK Equity Income	(6.7)	Livermore Investments Ord	Flexible Investment	(9.5)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/23

Moves in discounts and premiums

Of the funds not already discussed, HG Capital Trust saw its discount narrow from 26.2% to 14.1%. The fund has followed a similar trajectory to HydrogenOne and Chrysalis over the course of the year, with the latest move a reflection of the improving risk sentiment experienced in May. As a tech investor with several portfolio companies utilising artificial intelligence and machine learning, the company has also benefited from the recent flood of capital into the sector. Literacy Capital has continued to gain momentum following the sale of its fourth largest asset for a 48.9% premium to carrying value.

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

Fund	Sector	Disc/ Prem 28/04/23 (%)	Disc/ Prem 31/05/23 (%)	Fund	Sector	Disc/ Prem 28/04/23 (%)	Disc/ Prem 31/05/23 (%)
Civitas Social Housing Ord	Property - UK Residential	(51.4)	(26.5)	Majedie Investments Ord	Flexible Investment	(8.7)	(20.4)
CT Property Trust Ord	Property - UK Commercial	(31.9)	(14.6)	BlackRock Energy and Resources Inc	Commodities & Natural Resources	(3.3)	(9.2)
HydrogenOne Capital Growth Ord	Renewable Energy Infrastructure	(52.0)	(36.2)	ICG-Longbow Senior Sec. UK Prop Debt Inv	Property - Debt	(33.1)	(39.6)
HgCapital Trust Ord	Private Equity	(26.2)	(14.1)	JPMorgan China Growth & Income Ord	China / Greater China	(10.1)	(11.8)
Literacy Capital PLC	Private Equity	(5.6)	4	Fidelity China Special Ord	China / Greater China	(9.8)	(10.3)

Source: Morningstar, Marten & Co

Money raised and returned

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

Fund	Sector	£m raised	Fund	Sector	£m returned
Castelnau Group Ord	Flexible Investment	56.6	NB Global Monthly Income Fund Ltd GBP	Debt - Loans & Bonds	(33.7)
Gresham House Energy Storage Ord	Renewable Energy Infrastructure	49.2	Worldwide Healthcare Ord	Biotechnology & Healthcare	(18.7)
JPMorgan Global Growth & Income Ord	Global Equity Income	15.7	RIT Capital Partners Ord	Flexible Investment	(17.8)
TwentyFour Income Ord	Debt - Structured Finance	12.7	European Opportunities Trust	Europe	(11.9)
City of London Ord	UK Equity Income	10.1	Witan Ord	Global	(10.7)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/23. Note: based on the approximate value of shares at 30/04/23

Funding market activity showed burgeoning signs of a recovery in May. The Castelnau Group raised £56.6m through a share placing to fund the acquisition of the UK funeral services provider, Dignity. While Gresham House Energy Storage successfully raised £50m to fund the first closing of Project Iliad, a battery storage project in California. Elsewhere, money raised was a case of the usual suspects – income funds JPMorgan Global Growth & Income, TwentyFour Income, and City of London all featuring on the list.

Companies returning cash featured regulars, NB Global Monthly Income, Worldwide Healthcare and RIT Capital Partners. European Opportunities and Witan have also been steadily buying back in order to manage their respective discounts which both sit at around 10%.

Major news stories and QuotedData views over May 2023

Portfolio developments

- Aquila Energy Efficiency Trust closes out tough year
- Chrysalis Investments off to a positive start to the year
- Oakley to realise stake in IU Group
- HydrogenOne portfolio continues to perform despite widening discount
- End of a challenging year for Scottish Mortgage
- AVI Japan submits proposals to NC Holdings and SK Kaken
- Widening discount negates outperformance from Caledonia
- Shires approach triggered the review at abrdn Smaller Companies Income

Corporate news

- Aquila Energy Efficiency AGM notice sets out realisation options
- Surprise move to merge abrdn Japan and Nippon Active Value
- abrdn Latin American Income wind up proposals
- RM Infrastructure was approached about a potential merger
- Momentum Multi Asset Value latest to fall on its sword
- Surprise move to merge abrdn Japan and Nippon Active Value

Property news

- Great Portland Estates buys two central London offices
- Palace Capital sells industrial portfolio ahead of valuation
- abrdn European Logistics Income sells Spanish warehouse
- LondonMetric to buy CT Property Trust
- Civitas Social Housing receives £485m bid for company
- Home REIT board 'ghosts' potential bidder
- Tritax Big Box REIT ventures into urban logistics

QuotedData views

- QD view – Spreading your bets – asset allocating for uncertain times
- QD view – Time to buy Scottish Mortgage?
- QD view – Can we just stop oil? Contrasting the fortunes of two UK equity income trusts
- QD view – Growth capital – fast-growing companies at compelling prices?
- QD view – REIT mergers could combat vicious discount circle
- QD view – AI mania driving tech recovery

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

Upcoming events

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:

- Round Hill Music AGM – 12 June
- abrdn Latin American Income EGM -12 June
- Aquila Energy Efficiency AGM – 14 June
- Aquila European Renewables AGM – 14 June
- Asia Dragon Update – 15 June
- RTW Venture AGM – 21 June
- Shires Income manager presentation – 22 June
- Downing Renewables & Infrastructure AGM – 23 June
- Vietnam Enterprise AGM - 24 June
- Scottish Mortgage AGM – 27 June
- Apax Global Alpha Capital Markets Day – 27 June
- India Capital Growth AGM – 27 June
- Shires Income AGM 2023 – 6 July
- CT UK High Income AGM – 20 July
- Fidelity China Special Situations AGM – 20 July
- Cordiant Digital Infrastructure AGM – 28 July

Interviews

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

Friday	The news show	Special Guest	Topic
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
14 April	GABI, MLI	Stephen Inglis	Regional REIT
21 April	CSH, HGEN, RTW, SOHO	Jean Roche	Schroder UK Mid Cap Fund
28 April	NESF, RHM, TLEI	Craig Baker	Alliance Trust
05 May	AEET/AEEE, CHRY	Nicholas Weindling	JPMorgan Japanese Investment Trust
12 May	BSIF, CSH, HOME, HGEN, USF	Kamal Warraich	Canaccord Genuity Wealth
19 May	BPCR, GRID, AJIT	Michael Anderson	Aquila Capital European Renewables
26 May	HOME, LMP, MAVT, RMII	Andy Ho & Khanh Vu	VinaCapital Vietnam Opportunity
02 June	TRY, AERI	Iain McCombie	Baillie Gifford UK Growth
09 June	CSH, INV, TLEI	James Thom	Abrdn New Dawn
		Coming up	
16 June		Matthias Siller	Baring Emerging EMEA Opportunities
23 June		Jonathan Hick	Triple Point Energy Transition

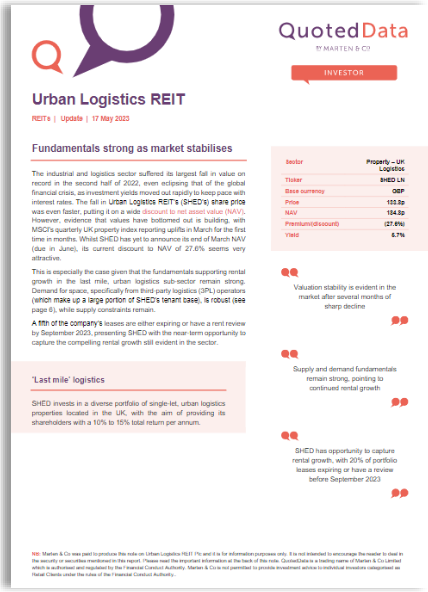
Research


QuotedData
INVESTOR
Polar Capital Global Financials Trust
Investment companies | Update | 7 June 2023
Avoiding mishap
Growing income and capital from financials stocks

.After years of squeezed margins thanks to ultra-low interest rates, banks' profitability is increasing (in part, as the spread between the interest rates that they pay on deposits and the rates that they charge borrowers widens). However, higher rates have brought increased recession risk and, as we discuss from page 4 onwards, have exposed inept risk management within some US regional banks, with some high-profile bank failures.The managers of Polar Capital Global Financials Trust (PCFT) were quick to cut exposure to more exposed areas of the sector, while increasing PCFT's weighting towards areas such as insurance and reinsurance, where the picture looks brighter.

The industrial and logistics sector suffered its largest fall in value on record in the second half of 2022, even eclipsing that of the global financial crisis, as investment yields moved out rapidly to keep pace with interest rates. The fall in Urban Logistics REIT's (SHED's) share price was even faster, putting it on a wide discount to net asset value (NAV). However, evidence that values have bottomed out is building, with MSCI's quarterly UK property index reporting uplifts in March for the first time in months. Whilst SHED has yet to announce its end of March NAV (due in June), its current discount to NAV of 27.6% seems very attractive.

This is especially the case given that the fundamentals supporting rental growth in the last mile, urban logistics sub-sector remain strong. Demand for space, specifically from third-party logistics (3PL) operators (which make up a large portion of SHED's tenant base), is robust (see page 6), while supply constraints remain.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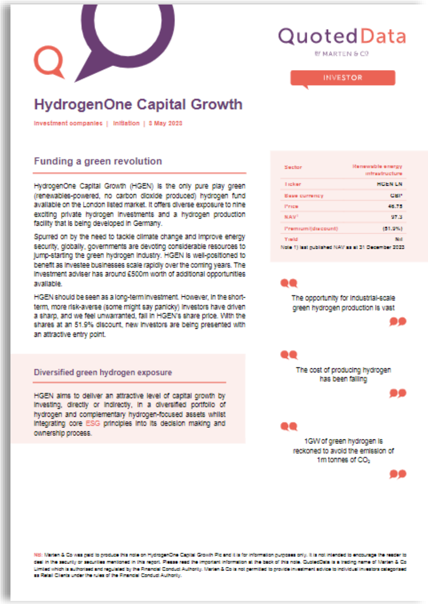
Urban Logistics REIT
REITs | Update | 17 May 2023
Fundamentals strong as market stabilises
'Last mile' logistics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HydrogenOne Capital Growth

Investment companies | Initiation | 3 May 2023

Funding a green revolution

HydrogenOne Capital Growth (HGEN) is the only pure play green (renewables-powered, no carbon dioxide produced) hydrogen fund available on the London listed market. It offers diverse exposure to nine exciting private hydrogen investments and a hydrogen production facility that is being developed in Germany.

Spurred on by the need to tackle climate change and improve energy security, globally, governments are devoting considerable resources to jump-starting the green hydrogen industry. HGEN is well-positioned to benefit as investee businesses scale rapidly over the coming years. The investment adviser has around £500m worth of additional opportunities available.

HGEN should be seen as a long-term investment. However, in the short-term, more risk-averse (some might say panicky) investors have driven a sharp, and we feel unwarranted, fall in HGEN's share price. With the shares at an 51.9% discount, new investors are being presented with an attractive entry point.

Sector	Renewable energy infrastructure
Ticker	HGEN LN
Base currency	GBP
Price	46.75
NAV[1]	97.3
Premium/(discount)	(51.9%)
Yield	Nil

Note 1) last published NAV as at 31 December 2022

The opportunity for industrial-scale green hydrogen production is vast

The cost of producing hydrogen has been falling

1GW of green hydrogen is reckoned to avoid the emission of 1m tonnes of CO_2

Diversified green hydrogen exposure

HGEN aims to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen-focused assets whilst integrating core ESG principles into its decision making and ownership process.

NB: Marten & Co was paid to produce this note on HydrogenOne Capital Growth Plc and it is for information purposes only. It is not intended to encourage the reader to deal in 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 categorised as Retail Clients under the rules of the Financial Conduct Authority.

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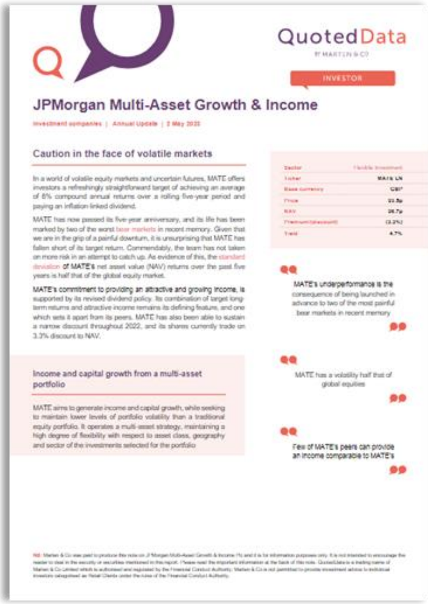
In a world of volatile equity markets and uncertain futures, MATE offers investors a refreshingly straightforward target of achieving an average of 6% compound annual returns over a rolling five-year period and paying an inflation-linked dividend.MATE has now passed its five-year anniversary, and its life has been marked by two of the worst bear marketsin recent memory. Given that we are in the grip of a painful downturn, it is unsurprising that MATE has fallen short of its target return. Commendably, the team has not taken on more risk in an attempt to catch up.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JPMorgan Multi-Asset Growth & Income

Investment companies | Annual Update | 2 May 2023

Caution in the face of volatile markets

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MATE has now passed its five-year anniversary, and its life has been marked by two of the worst bear markets in recent memory. Given that we are in the grip of a painful downturn, it is unsurprising that MATE has fallen short of its target return. Commendably, the team has not taken on more risk in an attempt to catch up. As evidence of this, the standard deviation of MATE's net asset value (NAV) returns over the past five years is half that of the global equity market.

MATE's commitment to providing an attractive and growing income, is supported by its revised dividend policy. Its combination of target long-term returns and attractive income remains its defining feature, and one which sets it apart from its peers. MATE has also been able to sustain a narrow discount throughout 2022, and its shares currently trade on 3.3% discount to NAV.

Sector	Flexible Investment
Ticker	MATE LN
Base currency	GBP
Price	93.8p
NAV	96.7p
Premium/(discount)	(3.3%)
Yield	4.7%

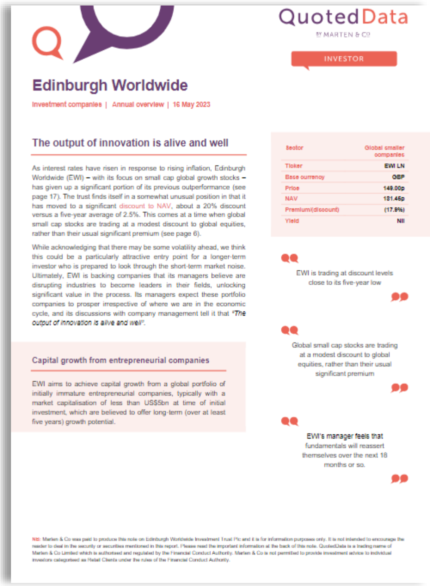
MATE's underperformance is the consequence of being launched in advance to two of the most painful bear markets in recent memory

MATE has a volatility half that of global equities

Few of MATE's peers can provide an income comparable to MATE's

Income and capital growth from a multi-asset portfolio

MATE aims to generate income and capital growth, while seeking to maintain lower levels of portfolio volatility than a traditional equity portfolio. It operates a multi-asset strategy, maintaining a high degree of flexibility with respect to asset class, geography and sector of the investments selected for the portfolio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Edinburgh Worldwide

Investment companies | Annual overview | 16 May 2023

The output of innovation is alive and well

As interest rates have risen in response to rising inflation, Edinburgh Worldwide (EWI) – with its focus on small cap global growth stocks – has given up a significant portion of its previous outperformance (see page 17). The trust finds itself in a somewhat unusual position in that it has moved to a significant discount to NAV, about a 20% discount versus a five-year average of 2.5%. This comes at a time when global small cap stocks are trading at a modest discount to global equities, rather than their usual significant premium (see page 6).

While acknowledging that there may be some volatility ahead, we think this could be a particularly attractive entry point for a longer-term investor who is prepared to look through the short-term market noise. Ultimately, EWI is backing companies that its managers believe are disrupting industries to become leaders in their fields, unlocking significant value in the process. Its managers expect these portfolio companies to prosper irrespective of where we are in the economic cycle, and its discussions with company management tell it that *"The output of innovation is alive and well"*.

Sector	Global smaller companies
Ticker	EWI LN
Base currency	GBP
Price	149.00p
NAV	181.45p
Premium/(discount)	(17.9%)
Yield	Nil

EWI is trading at discount levels close to its five-year low

Global small cap stocks are trading at a modest discount to global equities, rather than their usual significant premium

EWI's manager feels that fundamentals will reassert themselves over the next 18 months or so.

Capital growth from entrepreneurial companies

EWI aims to achieve capital growth from a global portfolio of initially immature entrepreneurial companies, typically with a market capitalisation of less than US$5bn at time of initial investment, which are believed to offer long-term (over at least five years) growth potential.

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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 30/04/23 (%)	Discount 31/03/23 (%)	Change in discount (%)	Median mkt cap 30/04/23 (£m)
1	Insurance & Reinsurance Strategies	N/A	5.3	14	13.8	0.47	32
2	Technology & Technology Innovation	25.0	27.8	(12.7)	(12.1)	-0.54	1,900
3	Latin America	9.9	10.6	(10.7)	(10.1)	-0.60	72
4	Europe	9.1	6.9	(10.4)	(12.2)	1.80	408
5	Japan	6.9	5.6	(8.7)	(10.0)	1.30	245
6	Environmental	6.0	1.8	(14.0)	(12.7)	-1.29	80
7	Leasing	4.8	2.4	(39.4)	(31.2)	-8.16	141
8	Debt - Structured Finance	4.4	2.8	(20.0)	(19.4)	-0.58	137
9	UK Equity & Bond Income	2.6	3.5	(0.2)	(0.8)	0.59	217
10	Asia Pacific Smaller Companies	2.3	2.0	(13.1)	(12.1)	-1.02	363
11	Debt - Loans & Bonds	1.9	2.1	(5.4)	(3.8)	-1.52	110
12	Global	1.8	3.4	(10.6)	(9.5)	-1.09	895
13	UK All Companies	1.3	2.7	(12.9)	(12.8)	-0.08	187
14	Global Smaller Companies	1.0	(0.6)	(13.7)	(14.4)	0.66	736
15	Property - UK Healthcare	0.9	4.4	(16.4)	(21.5)	5.13	454
16	European Smaller Companies	0.8	2.6	(13.6)	(14.0)	0.37	469
17	Property - UK Logistics	0.8	0.0	(26.8)	(23.4)	-3.38	640
18	Property - Europe	0.7	(1.2)	(47.2)	(44.3)	-2.91	295
19	Global Equity Income	0.2	5.7	(2.0)	(1.1)	-0.94	333
20	UK Equity Income	0.2	1.3	(5.0)	(3.9)	-1.07	315
21	UK Smaller Companies	0.2	(1.2)	(13.1)	(13.4)	0.38	125
22	India/Indian Subcontinent	(0.4)	1.9	(12.4)	(13.3)	0.89	257
23	Country Specialist	(1.0)	2.6	(16.9)	(17.1)	0.22	411
24	Global Emerging Markets	(1.0)	(1.6)	(10.2)	(10.7)	0.49	256
25	Japanese Smaller Companies	(1.8)	0.9	(10.8)	(10.0)	-0.79	169
26	Private Equity	(2.1)	(0.2)	(39.6)	(38.2)	-1.42	339
27	Flexible Investment	(2.6)	0.0	(10.0)	(9.9)	-0.04	86
28	Asia Pacific Equity Income	(2.6)	(1.1)	(9.6)	(8.7)	-0.90	345
29	Royalties	(3.5)	(1.0)	(44.9)	(45.9)	0.91	613
30	North America	(4.0)	(1.3)	(12.7)	(11.0)	-1.67	405
31	Biotechnology & Healthcare	(4.1)	(0.3)	(9.5)	(10.0)	0.55	561
32	Property - Debt	(4.8)	1.5	(15.7)	(13.4)	-2.25	61
33	Hedge Funds	(4.9)	(4.5)	(11.5)	(12.6)	1.08	74

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 30/04/23 (%)	Discount 31/03/23 (%)	Change in discount (%)	Median mkt cap 30/04/23 (£m)
34	North American Smaller Companies	(5.2)	(2.8)	(12.8)	(11.5)	-1.33	184
35	Farmland & Forestry	(5.4)	0.0	(4.8)	1.0	-5.71	172
36	Renewable Energy Infrastructure	(5.6)	1.1	(10.6)	(8.2)	-2.33	451
37	Infrastructure	(5.7)	1.7	(12.4)	(12.4)	0.03	891
38	Debt - Direct Lending	(6.1)	0.9	(21.0)	(16.7)	-4.28	212
39	Asia Pacific	(6.1)	(4.4)	(10.8)	(9.6)	-1.21	437
40	Property - UK Commercial	(6.6)	2.3	(31.2)	(26.3)	-4.89	209
41	Infrastructure Securities	(6.8)	(7.0)	(6.9)	(6.7)	-0.19	130
42	Liquidity Funds	(7.1)	2.2	(16.9)	(13.9)	-2.99	1
43	Property - UK Residential	(7.6)	1.0	(57.3)	(59.8)	2.50	218
44	Growth Capital	(9.5)	0.0	(49.1)	(52.1)	3.08	126
45	Financials & Financial Innovation	(10.2)	(3.4)	(22.6)	(22.7)	0.02	304
46	Property - Rest of World	(11.1)	(2.9)	(58.0)	(58.0)	0.00	37
47	Commodities & Natural Resources	(15.3)	(9.5)	(9.4)	(11.5)	2.02	49
48	China / Greater China	(19.1)	(17.2)	(12.5)	(10.1)	-2.36	204
	MEDIAN	(1.8)	1.0	(12.7)	(12.4)	-0.6	244.8

Source: Morningstar, Marten & Co

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.

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