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March 2024

Monthly roundup | Investment companies

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Winners and losers in February 2024

The key drivers of market moves in February can be summarised as: a renewed fixation on AI; rising yields in response to higher than anticipated inflation in some markets; and rebounds in a number of markets that suffered during January. The enthusiasm for AI-winners seems to continue unabated, with NVIDIA becoming America's fourth largest company on the back of its impressive earnings results. The impact of the AI rally can be seen clearly in the best performing sectors, as technology & technology innovation was the top performer for the month, having generated a median share price return of 7.7%.

Having been amongst the worst performing regions in January, East Asia has shown a clear rebound, now ranking amongst the best, with China and Vietnam (which is a large portion of the country specialist sector) being the clear winners as can be seen by the top five. Asia Pacific and global emerging market sectors also showed strong performance over the month.

Following a difficult January, China's rebound in February was the result of greater intervention by the government, with state-backed funds buying domestic stocks to prop up China's equity market ahead of the Chinese New Year. The impact was clear, with the MSCI China Index gaining 9% during the month (in sterling terms), going some way to offset the 10.5% loss the index experienced in January.

The Vietnamese equity market also saw a similarly strong month, up 6.8% in sterling terms. Vietnamese companies have been reporting strong earnings and profit growth for the fourth quarter of 2023; with the region's secular growth potential continuing to motivate both domestic and overseas investors to deploy capital.

Japan's year-long market rally, which has been fuelled by cheap valuations and ongoing corporate governance reforms, continued into February, with the Japan sector making its second consecutive appearance in the top five performers. The Nikkei index passed a record breaking 40,000 level during the month, buoyed in part by continued interest in AI. Japan is home to dozens of companies that are critical to the semi-conductor supply chain and its tech stocks followed their Wall Street peers higher.

Following a difficult 2023 for healthcare (the COVID-related bubble in the sector deflated, sales declined, and bond yields rose), healthcare rallied in January, and this continued into February with Eli Lilly and Novo Nordisk, recently dubbed the 'Magnificent Two', posting explosive performance reflecting the success of their obesity drugs.

Best performing sectors in February 2024 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 29/02/24 (%)	Median sector market cap 29/02/24 (£m)	Number of companies in the sector
Technology & technology innovation	7.7	9.6	(11.8)	2,421.4	4
Country specialist	6.9	7.5	(12.7)	416.2	4
China/greater China	4.2	9.7	(10.8)	173.1	4
Japan	4.2	3.7	(11.4)	295.0	5
Biotechnology and healthcare	4.1	2.9	(10.4)	553.2	8

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 property dominated the worst performing sectors with higher than anticipated inflation being the main cause. This has increased uncertainty around the timing of interest rate cuts, which it is hoped could be a catalyst for a recovery in the space, and has depressed demand from investors in the process.

The Infrastructure securities sector was also impacted by the sticky inflation numbers, reflecting the fact that infrastructure valuations tend to be sensitive to interest rates.

Commodities on the other hand were a casualty of the dampening economic outlook for 2024, particularly the increasing slowdown of China's economy (notwithstanding its stock market bounce), as well as an oversupply of certain resources; with the Bloomberg Commodity Index down 1.1% over February.

Worst performing sectors in February 2024 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 29/02/24 (%)	Median sector market cap 29/02/24 (£m)	Number of companies in the sector
Infrastructure securities	(11.3)	(5.7)	(16.4)	95.4	2
Property - UK logistics	(11.1)	0.0	(28.5)	547.5	3
Commodities & natural resources	(6.7)	(0.6)	(18.3)	68.0	8
Property - UK commercial	(5.0)	0.4	(23.9)	202.0	13
Property - UK healthcare	(4.5)	0.0	(20.0)	409.5	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

Best performing companies

Looking now at the best performing companies, those with the greatest exposure to China and the technology sector were amongst the top NAV performers, for the reasons we mentioned prior. CC Japan Income & Growth (CCJI) was once again the best performing trust within the Japanese sector, capturing many of the tailwinds we outlined the previous section.

Weiss Korea (WKOF) generated the highest NAV performance over February. WKOF is the only fund offering exposure to Korean preference shares and it effectively offers a discounted play on the underlying equity market as the preference shares provides the same levels of income but frequently trade at a marked discount to the equivalent equities. The Korean equity market rallied 8.9% during the month, helped by the launch of Korea's 'Corporate Value-up Program', which aims to encourage more shareholder-friendly behaviour. Reflecting successful stock selection by WKOF's management and its structure, WKOF it was able to leverage the rally to generate some impressive performance – for example its top holding, Hyundai Motor, was up 28.7% over February.

As noted earlier, healthcare has seen a resurgence during 2024 and the biotech sector is expected to benefit following a significant uptick in novel drug approvals by the FDA in 2023, which appears to have reinvigorated the sector. Biotech Growth with its broad sector exposure looks well positioned to benefit.

Martin Currie Global Portfolio (MNP) and BlackRock Greater Europe (BRGE) were also beneficiaries of rally in tech stocks, as both have large allocations to the sector, albeit through their regional mandates. MNP's has large weightings in NVDIA, Microsoft, and ASML allowing it to benefit directly, while BRGE benefited indirectly due to the rally in European semiconductor stocks. BRGE also benefited from the excitement around weight loss treatments, with Novo Nordisk (the current leader of obesity treatments) being its largest holding.

In terms of share price movements, Gabelli Merger Plus+ Trust (GMP) saw its share price surge on the back of an announcement that it would repurchase 5% of the shares held by its minority shareholders, or 3.7% of the current circulation.

SDCL Energy Efficiency Income (SEIT) share price rallied after the board indicated that the trust had received several credible offers for some of its assets. These offers were at valuations which are within its range of pricing expectations and support SEIT's most recently published net asset value.

Onward Opportunities (ONWD), having launched only last year, is a small trust at a mere £16m market cap. While there was no news surrounding the trust, its lack of liquidity means that individual trading activity can have an outsized impact on its discount, as was likely the case this month.

NB Global Monthly Income Fund (NBMI) announced a partial compulsory redemption in February, repurchasing £23m of shares, or 69% of existing shares held by shareholders. These shares will be redeemed at 79.04p (the NAV as of 16 February 2024); NBMI's share price jumped in response to the announcement.

Aseana Properties (ASPL) shares rallied after the company announced that it had reached a deal that sees it withdraw its legal action against Ireka Corporation Berhad (ICB), the parent company of its former development manager, that includes reparations that increase its NAV per share NAV by 14% (from $0.35 to $0.40). As part of the deal, ICB will transfer 38.8m shares of ASPL back to the trust, plus a 30% stake in another venture.

Gulf Investment Fun (GIF) has faced selling pressure in recent months as investors have been concerned that the war in Gaza could spill over to the wider region. However, it seems that investors have reappraised this risk for now. GIF is very tightly held and shifts in buying/selling pressure can have outsized effects on its share price.

There was no news regarding Third Point, other than it continuing to buy back shares regularly over the month. With respect to WKOF, VNH, and BRGE, their share price returns were a reflection of their strong NAV performance.

Best performing funds in total NAV (LHS) and share price (RHS) terms over February 2024

Fund	Sector	(%)	Fund	Sector	(%)
Weiss Korea Opportunity	Country specialist	13.5	Gabelli Merger Plus+	Hedge funds	34.7
JPMorgan China Growth & Income	China / greater China	10.6	SDCL Energy Efficiency Income	Renewable energy infrastructure	17.6
Baillie Gifford China Growth	China / greater China	10.3	Weiss Korea Opportunity	Country specialist	13.9
Biotech Growth	Biotechnology & healthcare	10.3	Onward Opportunities	UK smaller companies	11.4
Allianz Technology	Technology & technology innovation	10.0	NB Global Monthly Income	Debt - loans & bonds	12.1
Polar Capital Technology	Technology & technology innovation	9.2	VietNam Holding	Country specialist	10.7
abrdn China	China / greater China	9.0	Aseana Properties	Property - rest of world	10.7
Martin Currie Global Portfolio	Global	8.8	BlackRock Greater Europe	Europe	10.5
BlackRock Greater Europe	Europe	8.8	Gulf Investment Fund	Global emerging markets	10.5
CC Japan Income & Growth	Japan	8.5	Third Point Investors	Hedge funds	10.3

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 29/02/24

Worst performing companies

Names appearing in the list of worst performing funds during February are those that are more economically sensitive, such as the commodities funds, reflecting a deteriorating economic outlook at the margin, and funds that are better suited to an environment of lower interest rates.

Geiger Counter (GCL) continues to be volatile, reflecting swings in the uranium price, but the long-term story about increasing demand for nuclear power seems intact.

The spot price of gold climbed during February and has since hit a new high. However, Golden Prospect Precious Metal's (GPM) share price tracked down during the month, reflecting a similar fall in its NAV. The decoupling of the share prices of gold miners from the gold price is one of the stranger phenomena of recent years and is hard to explain. Although part of the problem is attributed to higher mining-related costs. A weaker economic outlook with the potential for lower demand for commodities weighed on BlackRock World Mining Trust and CQS Natural Resources.

Reflecting increasing uncertainty around prospective interest rate cuts during the month, infrastructure and utilities sectors were out of favour (hitting Premier Miton Global Renewables) as were a number of UK smaller companies strategies, the Numis Smaller Companies ex Investment Companies Index was down 1.2% over the month.

UIL has quite a lot of exposure to economically sensitive sectors (51% in financials and 11% in resources) and its NAV tracked down in February most likely due to a weakening of the economic outlook. Its half year report reiterated its need to continue to pay down its bank debt – it has significant structural debt in the form of ZDPs with staggered maturities.

While VPC Specialty Lending Investments is being wound down, the returns from its fixed income investments are potentially less attractive if yields remain higher for longer.

Worst performing funds in total NAV (LHS) and share price (RHS) terms over February 2024

Fund	Sector	(%)	Fund	Sector	(%)
Geiger Counter	Commodities & natural resources	(19.3)	Harmony Energy Income	Renewable energy infrastructure	(29.7)
Premier Miton Global Renewables	Infrastructure securities	(12.5)	Digital 9 Infrastructure	Infrastructure	(28.9)
Golden Prospect Precious Metals	Commodities & natural resources	(8.0)	Regional REIT	Property - UK commercial	(24.0)
UIL	Flexible investment	(7.5)	Life Science REIT	Property - UK commercial	(22.6)
BlackRock World Mining	Commodities & natural resources	(6.7)	Premier Miton Global Renewables	Infrastructure securities	(17.7)
Odyssean	UK smaller companies	(6.1)	Schiehallion Fund	Growth capital	(17.6)
CQS Natural Resources Growth & Income	Commodities & natural resources	(4.3)	Symphony International Holdings	Private equity	(15.8)
Montanaro UK Smaller Companies	UK smaller companies	(4.2)	Phoenix Spree Deutschland	Property - Europe	(15.1)
VPC Specialty Lending Investments	Debt - direct lending	(3.5)	Geiger Counter	Commodities & natural resources	(13.6)
Invesco Perpetual UK Smaller	UK smaller companies	(3.2)	Foresight Sustainable Forestry	Farmland & forestry	(13.5)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 29/02/24

In terms of share price movements, property funds were underperformers, with investors weighing the impact of higher yields. Regional REIT was hit particularly badly as a valuation reduction led to fears about covenant breaches on its debt.

Harmony Energy Income's (HEIT) shares fell after the board announced it would be forced to cut its dividend due to a difficult market environment and deteriorating outlook, specifically postponing the payment of its first quarterly dividend for the current financial year. If the current environment continues, the board highlight that it may impact its ability to pay future dividends as well. Specific factors that lead to the cut include a reduction in wholesale power prices volatility and a saturation of some of its markets.

The shares of Digital 9 Infrastructure (DGI9) fell after the company announced that its sale of Verne Global, which is key to it repaying its debt, was being reviewed by Nodic regulators. We note that has since been granted approval.

There were no specific announcements surrounding the Schiehallion Fund (MNTN) but given its focus on unlisted, high growth companies, it too has been impacted by higher than anticipated inflation extending the timeline for interest rate reductions. Symphony International Holding (SIHL) saw no important developments during the month, but it invests in private assets located in Asia and these markets tend to be negatively impacted by higher interest rates in the US, where inflation numbers came in modestly ahead of expectations. Foresight Sustainable Forestry is thinly-traded and this has increased the volatility of its share price.

Moves in discounts and premiums

More expensive (LHS) and cheaper (RHS) relative to NAV over February 2024

Fund	Sector	Disc/ Prem 31/01/24 (%)	Disc/ Prem 29/02/24 (%)	Fund	Sector	Disc/ Prem 31/01/24 (%)	Disc/ Prem 29/02/24 (%)
Gabelli Merger Plus+	Renewable energy infrastructure	(29.5)	(6.4)	Harmony Energy Income	Renewable energy infrastructure	(46.0)	(62.0)
SDCL Energy Efficiency Income	Renewable energy infrastructure	(40.1)	(28.9)	Life Science REIT	Property - UK commercial	(37.1)	(51.5)
Onward Opportunities	UK smaller companies	(7.9)	2.6	AEW UK REIT	Property - UK commercial	(3.4)	(15.9)
Alpha Real	Property - debt	(43.8)	(34.0)	Schiehallion Fund	Growth capital	(39.7)	(51.2)
Riverstone Energy	Commodities and natural resources	(33.0)	(26.1)	Foresight Sustainable Forestry	Farmland & forestry	(21.2)	(31.9)

Source: Morningstar, Marten & Co

We have discussed many of these trusts already. Real estate debt lender Alpha Real Trust, which is a thinly traded stock with a market cap of around £83m, rose 17.6% following a large trade. Riverstone Energy announced a tender offer for its shares.

With respect to the cheaper shares, AEW UK REIT was another fund suffering from negative sentiment towards the UK property sector as higher than expected inflation pushed back the timeline for interest rate cuts.

Money raised and returned

JPMorgan Global Growth & Income (JGGI), which regularly features in the list of top issuers, led the charge in raising new capital during February. In addition to its regular tap issuance, JGGI completed an oversubscribed placing, raising £34.5m in new capital form both retail investors and a large UK wealth manager. Invesco Bond Income Plus also completed a placing, raising £13.4m, while continuing its regular issuance, that is made possible by its premium rating. The two Indian funds are expanding on the back of strong performance from that market. Rockwood Strategic is re-expanding after posting strong performance last year.

Money raised (LHS) and returned (RHS) over February 2024 in £m

Fund	Sector	£m raised	Fund	Sector	£m returned
JPMorgan Global Growth & Income	Global equity income	94.8	European Opportunities	Europe	(36.0)
Invesco Bond Income Plus	Debt - loans & bonds	14.3	Capital Gearing	Flexible investment	(35.0)
Ashoka India Equity	India/Indian subcontinent	13.8	Finsbury Growth & Income	UK equity income	(33.3)
India Capital Growth	India/Indian subcontinent	7.4	Personal Assets	Flexible investment	(32.8)
Rockwood Strategic	UK smaller companies	3.9	Monks	Global	(25.2)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 29/02/24. Note: based on the approximate value of shares at 29/02/24

Following on from its 25% tender offer in January, European Opportunities Trust has continued to buy back shares in the market as it tried to address its discount. The other four trusts that returned capital accelerated their buybacks over the month in an attempt to rectify their widening discounts, or defend target levels, with Finsbury Growth & Income making a second consecutive appearance in our list.

In addition, RTW Biotech Opportunities (RTW) completed its takeover of Arix Bioscience, issuing 181m new shares as part of the process. It was a similar story for JPMorgan UK Small Cap Growth & Income, previously known as JPMorgan Mid Cap, as it issued new shares after taking over its sister trust, JPMorgan UK Smaller Companies.

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:

- JPMorgan Global Growth & Income EGM – 11/03/24
- River & Mercantile UK Micro Cap AGM – 11/03/24
- Biotech Growth Trust shareholder presentation – 12/03/24
- Target Healthcare REIT shareholder presentation -13/02/24
- GCP Infrastructure Investments AGM – 12/03/24
- STS Global Income & Growth Trust EGM – 13/03/24
- Worldwide Healthcare Trust shareholder presentation – 13/03/24
- abrdn China Investment Company EGM– 13/03/24
- Seraphim Space retail investor interim results presentation – 13/03/24
- Murray International Trust Annual Results Update Breakfast– 13/03/24
- Troy Income & Growth Trust EGM– 13/03/24
- Vietnam Enterprise Investments investor presentation – 14/03/24
- BlackRock Sustainable American Income AGM – 14/03/24
- Oakley Capital Investments AGM – 14/03/24
- Vietnam Enterprise Investments shareholder presentation – 14/03/24
- BlackRock Energy and Resources Income AGM – 15/03/24
- Chrysalis Investments AGM– 15/03/24
- Chrysalis Investments EGM – 15/03/24
- JPMorgan Multi-Asset Growth & Income EGM – 18/03/24
- Schroder European Real Estate AGM – 18/03/24
- BlackRock Throgmorton Trust AGM – 19/03/24

Major news stories and QuotedData views over February 2024

Portfolio developments

- European Opportunities capitalises on the Novo Nordisk rally to beat the market
- Greencoat UK Wind beats its dividend target
- Riverstone Energy reports another strong year
- Strong half-year for Bluefield Solar Income
- Digital 9 Infrastructure outlines the details of its wind down, and provides a portfolio update
- TRIG reports strong underlying performance despite challenging macro
- Harmony Energy Income makes huge leaps forward with portfolio
- Apax Global alpha investing €5.1m in Integrated Environmental Solutions
- Stock spotlight: Airbus
- Herald's US investments shine in 2023
- Riverstone Credit Opportunities reports good results for 2023
- Rights and Issues Trust delivers strong returns for its shareholders
- Stock spotlight: Ashtead
- Polar Capital Global Financials affected by sector selloff

Corporate news

- HICL Infrastructure sells Northwest Parkway and launches £50m buyback programme
- Volta Finance secures improved fee terms
- Management team shake-up for JPMorgan European Discovery
- Law Debenture provides 4.9% increase in dividend
- Financier, Lord Jacob Rothschild, founder of RIT Capital Partners, passes away aged 87
- Pantheon International combines share buybacks with positive performance
- Bidding war for abrdn Property Income with Urban Logistics REIT entering the fray
- Hipgnosis faces a possible surprise liability
- Bluefield Solar plans £20m buyback
- FCA launches investigation into Home REIT
- Syncona's Autolus announces strategic collaboration with BioNTech
- Riverstone Energy launches $200m tender offer
- Pershing Square cuts manager's performance fee

Property news

- Tritax Big Box REIT doubles down on developments as market improves
- Heightened London activity boosts Shaftesbury Capital
- Hammerson turnaround continues with record year of leasing
- Primary Health Properties increases dividend again as earnings grow
- SEGRO raises £907m in placing
- Unite Group posts record earnings as student sector flourishes
- Bidding war for abrdn Property Income with Urban Logistics REIT entering the fray
- abrdn European Logistics receives several proposals

QuotedData views

- VIP access at bargain prices
- This dragon needs to awake from its slumber
- Inflation scare
- Still a place for the generalist REIT?

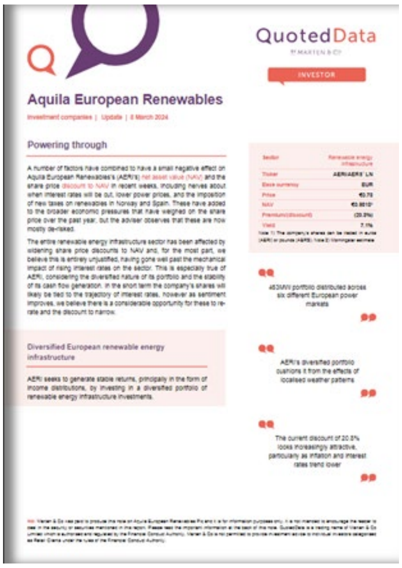
*Visit **www.quoteddata.com** for more on these and other stories plus in-depth analysis on some funds, the tools to compare similar funds and basic information, key documents and regulatory news announcements on every investment company quoted in London*

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
27 October	UKW, SONG, ADIG	Richard Sem	Pantheon Infrastructure
3 November	ARIX, RWT	Minesh Shah	Renewables Infrastructure Group
10 November	PCTN, DSM	Craig Martin	Vietnam Holding
17 November	JMF, JMI	Joe Bauernfreund	AVI Global Trust
24 November	NESF, SRE, UKCM, PCTN	Ben Green	Supermarket Income REIT
1 December	ACIC, FCSS, TIGT, STS, VNH, DGI9	Charles Luke	Murray Income
8 December	CHRY, BEMO, RNEW	Joe Bauernfreund	AVI Japan Opportunity
5 January	EBOX, GCP, HHI, MATE, MTE, PCT, PINT, THRG, VNH, BSIF, CHRY, EGL	Andrew McHattie	Review of 2023
12 January	ROOF, LXI, LMP	Tim Levene	Augmentum Fintech
19 January	BNKR, SONG, API, CREI	Purvi Sapre	SDCL Energy Efficiency Income Trust
26 January	AEIT, APEO, MATE	Nick Montgomery	Schroder Real Estate Investment Trust
2 February	DGI9, GRID, HEIT	Ross Grier	NextEnergy Capital
9 February	PSH, GSF, DGI9	Kartik Kumar	Artemis Alpha Trust
16 February	BUT, BBOX, UKCM	Richard Hulf	HydrogenOne Capital Growth
23 February	SONG, JGGI, SHED, API	Gurpreet Gujral	Atrato Onsite Energy
1 March	HICL, BSIF, UKW, SGRO, HMSO	Charles Jillings	Utilico Emerging Markets
8 March	SONG, ATST, FCIT, TENT	Richard Aston	CC Japan Income & Growth Trust
	Coming up		
15 March		Steven Tredget	Oakley Capital
22 March	Weekly news show special	Has the tide turned? – James Hart from Witan, Nish Patel from CT Global Smaller Companies Trust, and Jonathan Brown of Invesco Perpetual UK Smaller Companies	
5 April		Simon Farnsworth	Life Science REIT
12 April		Phil Waller	JPMorgan Global Core Real Assets
19 April		Jean-Hugues de Lamaze	Ecofin Global Utilities and Infrastructure

Research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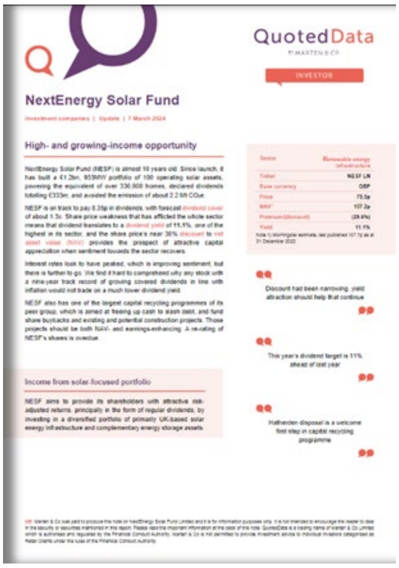
Aquila European Renewables
Powering through
Diversified European renewable energy infrastructure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NextEnergy Solar Fund
High- and growing-income opportunity
Income from solar-focused portfolio

NextEnergy Solar Fund (NESF) is almost 10 years old. Since launch, it has built a £1.2bn, 933MW portfolio of 100 operating solar assets, powering the equivalent of over 330,000 homes, declared dividends totalling £333m, and avoided the emission of about 2.2 Mt CO2e. NESF is on track to pay 8.35p in dividends, with forecast dividend cover of about 1.3x. Share price weakness that has afflicted the whole sector means that dividend translates to a dividend yield of 11.1%, one of the highest in its sector, and the share price's near 30% discount to net asset value (NAV) provides the prospect of attractive capital appreciation when sentiment towards the sector recovers..

A number of factors have combined to have a small negative effect on Aquila European Renewables's (AERI's) net asset value (NAV) and the share price discount to NAV in recent weeks, including nerves about when interest rates will be cut, lower power prices, and the imposition of new taxes on renewables in Norway and Spain. These have added to the broader economic pressures that have weighed on the share price over the past year, but the adviser observes that these are now mostly de-risked. The entire renewable energy infrastructure sector has been affected by widening share price discounts to NAV and, for the most part, we believe this is entirely unjustified, having gone well past the mechanical impact of rising interest rates on the sector.


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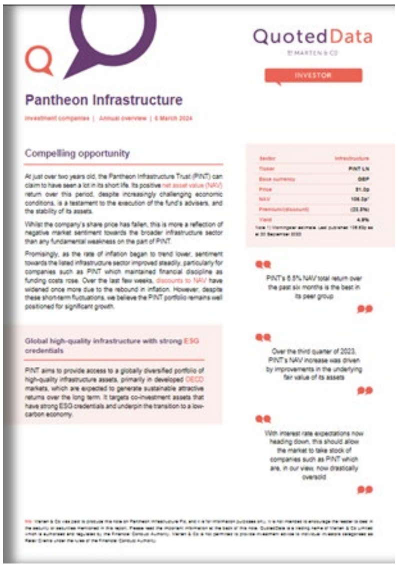
Polar Capital Global Healthcare
Healthy returns and a rosy outlook
Long-term capital growth from healthcare stocks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Pantheon Infrastructure
Compelling opportunity

At just over two years old, the Pantheon Infrastructure Trust (PINT) can claim to have seen a lot in its short life. Its positive net asset value (NAV) return over this period, despite increasingly challenging economic conditions, is a testament to the execution of the fund's advisers, and the stability of its assets. Whilst the company's share price has fallen, this is more a reflection of negative market sentiment towards the broader infrastructure sector than any fundamental weakness on the part of PINT.

Polar Capital Global Healthcare (PCGH) is, as we show on page 17, the leading performer within its peer group over the long term. Its managers' high-conviction approach and good stock-picking skills have helped it navigate a period of relative underperformance by the healthcare sector. The managers feel that the sector is overdue a re-rating.PCGH's managers point to the long-term trends that are driving growing demand for healthcare (see page 5).

2023 has been a particularly noteworthy year for Japan, defined by impressive share price returns (at least in yen terms) and substantial progress in its path to improving corporate governance. The Tokyo Stock Exchange has implemented a series of new efforts to name and shame the worst governance offenders (such as pressuring companies to keep their price to book (P/B) ratio over one). These efforts have already borne fruit, with Japanese equities outperforming even the US in local currency terms.

AVI Japan Opportunities Trust (AJOT) has been reaping the rewards of its own activism, with an outperformance versus its benchmark index over the year.

After a tumultuous period of interest rate volatility (with the rapid rise in interest rates reflected in investment yields, causing values to fall), real estate has entered calmer waters. Asset values are stabilising and occupier markets remain supportive of rental growth. Tritax EuroBox (EBOX) is sailing in these waters too, as demonstrated by a portfolio valuation that has changed little and a 30% uplift in earnings that now fully covers its 8.6%-yielding dividend.

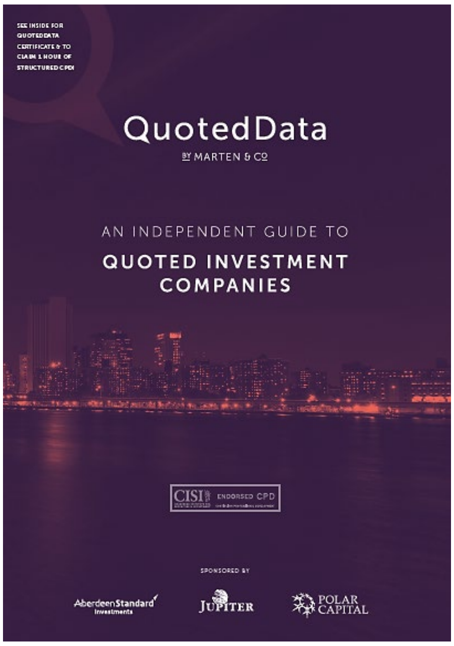
Appendix 1 – median performance by sector, ranked by 2024 year to date price total return

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 31/01/24 (%)	Discount 29/02/24 (%)	Change in discount (%)	Median mkt cap 29/02/24 (£m)
1	Technology & technology innovation	12.3	9.6	(9.8)	(11.8)	(2.0)	2,421,357,412
2	Farmland & forestry	9.8	0.0	(21.2)	(31.9)	(10.7)	115,277,570
3	Japan	7.0	3.7	(10.5)	(11.5)	(1.0)	295,046,920
4	Debt - structured finance	6.6	2.2	(15.0)	(14.5)	0.5	156,111,442
5	Country specialist	5.3	7.5	(12.4)	(12.7)	(0.3)	416,224,084
6	Biotechnology & healthcare	3.6	2.9	(9.5)	(10.4)	(1.0)	553,240,149
7	Global	3.6	4.3	(9.6)	(10.5)	(0.9)	1,033,276,463
8	Europe	3.3	4.6	(11.1)	(12.1)	(1.1)	429,569,449
9	India/Indian subcontinent	3.2	2.5	(7.6)	(8.4)	(0.8)	347,372,439
10	Debt - direct lending	2.7	1.7	(18.6)	(17.3)	1.3	147,486,488
11	Growth capital	2.7	0.0	(43.6)	(47.7)	(4.1)	122,394,469
12	Global emerging markets	2.6	4.8	(10.8)	(12.1)	(1.3)	224,081,891
13	Property - debt	2.0	0.0	(13.1)	(16.3)	(3.2)	54,876,602
14	Liquidity funds	1.9	0.2	(5.7)	(5.9)	(0.2)	1,396,330
15	North America	1.5	2.5	(12.0)	(14.1)	(2.1)	477,428,881
16	Debt - loans & bonds	1.0	0.2	(7.4)	(5.8)	1.6	99,729,517
17	Hedge funds	0.8	(0.2)	(13.2)	(12.8)	0.4	85,881,106
18	Leasing	0.8	0.0	(37.8)	(36.5)	1.3	123,079,241
19	Insurance & reinsurance strategies	0.7	0.7	(5.9)	(6.9)	(1.0)	32,594,910
20	Private equity	0.4	0.0	(33.9)	(33.9)	(0.1)	479,778,664
21	Property - rest of world	0.0	0.0	(68.0)	(68.0)	0.0	22,879,221
22	European smaller companies	(0.3)	2.6	(12.1)	(12.3)	(0.2)	478,809,288
23	Japanese smaller companies	(0.5)	1.7	(8.0)	(8.3)	(0.3)	246,895,495
24	North American smaller companies	(0.5)	5.2	(8.8)	(12.6)	(3.8)	202,491,691
25	Asia Pacific equity income	(0.6)	4.9	(9.2)	(10.4)	(1.2)	337,199,043
26	Flexible investment	(0.9)	0.0	(11.3)	(13.3)	(2.0)	86,203,081
27	UK equity & bond income	(1.3)	(2.1)	(7.1)	(7.4)	(0.3)	265,958,927
28	Financials & financial innovation	(1.5)	2.5	(23.3)	(22.8)	0.5	326,746,409
29	Commodities & natural resources	(1.5)	(0.6)	(20.0)	(18.3)	1.7	67,962,313
30	UK all companies	(1.8)	0.1	(12.8)	(12.9)	(0.0)	188,121,674
31	Asia Pacific smaller companies	(2.0)	3.3	(11.9)	(15.4)	(3.5)	351,148,984
32	Asia Pacific	(2.0)	5.3	(10.2)	(11.0)	(0.8)	525,310,048
33	Environmental	(2.3)	5.3	(18.0)	(23.7)	(5.6)	80,210,376

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 31/01/24 (%)	Discount 29/02/24 (%)	Change in discount (%)	Median mkt cap 29/02/24 (£m)
34	UK equity income	(2.7)	(0.1)	(6.0)	(7.0)	(1.1)	309,222,841
35	Global smaller companies	(2.8)	1.3	(12.8)	(13.3)	(0.5)	752,372,414
36	Global equity income	(3.1)	3.1	(5.6)	(8.9)	(3.3)	305,726,797
37	UK smaller companies	(3.2)	0.0	(12.7)	(11.7)	1.0	127,068,815
38	Property - Europe	(3.2)	0.0	(37.7)	(39.3)	(1.7)	262,967,239
39	China / greater China	(5.2)	9.7	(6.2)	(10.8)	(4.6)	173,130,517
40	Property - UK residential	(5.5)	0.0	(59.1)	(58.2)	0.9	157,005,335
41	Renewable energy infrastructure	(5.6)	0.1	(22.1)	(28.5)	(6.5)	313,501,107
42	Infrastructure	(6.3)	0.0	(19.4)	(24.0)	(4.7)	755,380,000
43	Property - UK commercial	(7.0)	0.4	(23.6)	(23.9)	(0.3)	202,046,058
44	Property - UK healthcare	(8.1)	1.4	(26.2)	(30.2)	(4.0)	409,505,804
45	Latin America	(10.4)	(0.5)	(12.1)	(14.5)	(2.3)	116,322,132
46	Royalties	(13.2)	0.0	(51.3)	(55.9)	(4.6)	755,758,929
47	Property - UK logistics	(13.2)	0.0	(22.4)	(28.5)	(6.1)	547,491,477
48	Infrastructure securities	(15.0)	(5.7)	(10.6)	(16.4)	(5.8)	95,383,259
	MEDIAN	(0.6)	0.5	(12.3)	(13.3)	(1.0)	254,931,367

Source: Morningstar, Marten & Co

Guide



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