QuotedData's Investment Companies Roundup

May 2024

QuotedData
BY MARTEN & CO
INVESTOR

May 2024

Monthly roundup | Investment companies

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Winners and losers in April 2024

Chinese shares lead the list of best performers in April, although they remain deeply depressed with the world's second largest economy still struggling with a range of long-standing structural issues. So far, the People's Bank of China has been reluctant to introduce wholesale measures to counteract its falling share market, although more recently, sentiment has begun to improve as investors look towards increasingly attractive valuations in the region. Notably, Hong Kong's Hang Seng index entered a technical bull market in April, although it remains down almost 10% over the past 12 months.

The commodities sector continued to perform strongly, led by Golden Prospect Precious Metals for the second month running. The company represents a leveraged play on the price of gold, which is up strongly over 2024 despite real rates rising steadily. Fears around the Federal Reserve's control of inflation seem to be the most likely explanation for the rally.

After a barnstorming run through 2023, Indian markets have experienced a volatile start to the year, although were up strongly in April as Narendra Modi looks to secure a third electoral victory. The market is backing the incumbent to delivering ongoing economic growth; the economy is forecast to expand by 6.5% through 2024.

It was somewhat surprising to see the rate sensitive UK Smaller Companies sector rally on the back of April's inflation data, which came in slightly hotter than expected, although dovish commentary from the Bank of England (BoE) helped boost sentiment. Importantly, inflation continues to trend downward toward the 2% target, unlike in the US where we have seen a reacceleration in recent months.

The Asia Pacific region was also up strongly, led by Pacific Horizon, which benefited from the strong growth of both the Indian and Chinese markets which make up well over 50% of the fund.

Best performing sectors in April 2024 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/04/24 (%)	Median sector market cap 30/04/24 (£m)	Number of companies in the sector
China / greater China	9.0	8.0	(10.8)	188.0	4
Commodities & natural resources	7.9	3.3	(20.0)	68.5	9
India/Indian subcontinent	7.8	4.8	(10.6)	389.3	4
UK smaller companies	4.8	1.3	(11.5)	128.3	26
Asia Pacific smaller companies	4.3	3.4	(16.0)	369.0	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

In terms of the worst performers, The property UK healthcare sector lead the way. The sector is made up of just two trusts, Target Healthcare REIT which was down 7.6% and Impact Healthcare REIT which was down just 0.4%. It is not immediately clear what drove the fall, although given the domestic focus of these industries it is likely that the hotter than expected inflation print played a role. It was a similar story for the Property UK logistics sector.

Japanese markets took a breather in April after a strong period of growth which saw the benchmark Nikkei 225 index finally breach its previous all-time high set prior to the 1980s crash. Currency chatter dominated the headlines as the yen fell to a 34-year low against the dollar, pushing up prices of imported goods and increasing inflation risks. The flow on effect has led to concerns around domestic growth and interest rates, weighing on more economically sensitive sectors of the market including small caps.

Hotter than expected inflation in the US weighed on the North American smaller companies sector which is traditionally more sensitive to interest rate volatility.

Worst performing sectors in April 2024 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 30/04/24 (%)	Median sector market cap 30/04/24 (£m)	Number of companies in the sector
Property - UK healthcare	(4.0)	0.0	(28.7)	415.1	2
Japanese smaller companies	(3.6)	(3.7)	(7.6)	249.9	4
North American smaller companies	(3.5)	(5.9)	(10.6)	198.2	2
Japan	(3.3)	(5.1)	(10.5)	298.3	5
Property - UK logistics	(2.9)	0.0	(29.2)	546.5	3

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

Looking now at the best performing companies in terms of NAV growth, Golden Prospect Precious Metals led the way, as noted on page one. The rally in gold also benefited CQS Natural Resources, as did the performance of the broader commodities indices. This reflects slowly improving economic sentiment, particularly in China which is the world's largest consumer of commodities. As discussed, improving sentiment in China has had a positive effect across the region with several funds up strongly. India's economic performance has also benefited the abrdn New India Investment Trust which is heavily exposed to the domestic economy, particularly financials and industrials. Its share price was further boosted after comment that it had been approached by India Capital Growth.

Rockwood Strategic was the second-best performer in terms of NAV growth thanks to the outperformance of several of its largest positions, most notably RM Plc which accounts for almost 10% of the trust and was up 32%. The Chelverton UK Dividend Trust also benefited from solid stock selection over April, with a number of its companies reporting strong Q1 earnings. Two more UK-focused trusts – Temple Bar and River and Mercantile UK Microcap – benefited from doveish messaging from the BoE, with governor Andrew Bailey saying that he expected a sharp fall towards the 2% inflation target in May.

In terms of share price performance, the Hipgnosis Songs trust was at the centre of a bidding war, with the latest offer representing a 48.1% premium to the 71p per share price of SONG on 17 April 2024 (the last business day before the commencement of the offer period on which the initial bid for SONG was made).

Despite announcing a temporary suspension of its dividend and additional share buybacks, shares in Gresham House Energy Storage and Harmony Energy Income were up strongly following an announcement from the company which highlighted a number of positive updates to the UK's national gird balancing mechanism. This is expected to significantly improve the potential revenue generated from its battery storage assets.

The Macau Property Opportunities fund rallied following a market announcement on 16 April which provided detail on the government's real estate anti-speculation policies, which have been in place for over a decade. These measures, which follow a similar move by Hong Kong in February, include the axing of prevailing special stamp duty requirements and improving loan-to-value ratio ceilings for mortgage loans.

The Schiehallion Fund continued its solid start to 2024, with shares up strongly following the release of its annual results which highlighted its ongoing focus on buybacks. The Seraphim Space Investment Trust has also had an impressive start to the year after a number of positive portfolio announcements showed significant improvements in profitability. The shares are now up 102% year to date, although they remain well down on the recent highs achieved back in 2022. Shares of Aquila Energy Efficiency were up strongly following the announcement of a tender offer.

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

Fund	Sector	(%)	Fund	Sector	(%)
Golden Prospect Precious Metal	Commodities & natural resources	15.4	Hipgnosis Songs	Royalties	50.7
Rockwood Strategic	UK smaller companies	12.8	Gresham House Energy Storage	Renewable energy infrastructure	36.4
JPMorgan China Growth & Income	China / greater China	10.5	Macau Property Opportunities	Property - rest of world	32.1
abrdn New India Investment Trust	India/Indian subcontinent	8.7	Seraphim Space Investment Trust	Growth capital	23.2
Chelverton UK Dividend Trust	UK equity income	8.5	EPE Special Opportunities	Private equity	19.3
Fidelity China Special	China / greater China	8.0	Harmony Energy Income Trust	Renewable energy infrastructure	18.0
CQS Natural Resources Growth and Income	Commodities & natural resources	7.7	Schiehallion Fund	Growth capital	17.1
Baillie Gifford China Growth Trust	China / greater China	7.0	Aquila Energy Efficiency Trust	Renewable energy infrastructure	16.4
Rights & Issues Investment Trust	UK smaller companies	6.5	abrdn New India Investment Trust	India/Indian subcontinent	15.0
River and Mercantile UK Micro Cap	UK smaller companies	6.2	Symphony International	Private equity	14.4

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/24

Worst performing

Following a period of strong growth towards the end of 2023 fuelled by the expectation of falling interest rates and a number of high-profile takeover bids, the NAVs of Bellevue Healthcare and International Biotechnology lagged peers over April and are now down over the past 12 months.

The two global companies, Martin Currie Global and Manchester & London are both heavily concentrated in US technology, particularly Manchester & London which has almost 60% of its fund spread across NVIDIA and Microsoft. Both companies fell steadily in April after several months of uninterrupted gains, as investors took profits amid uncertainty about the timing of interest rate cuts.

These factors have also influenced the performance of the North American smaller companies sector with many of these companies particularly sensitive to interest rates and broader economic health, with the US experiencing its first real signs of a slowdown in April.

As noted, the Japanese sector has struggled with concerns around its currency, growth, and inflation, with similar headwinds impacting on country specialist, Vietnam Enterprise. The trust followed the broader Vietnam market down as GDP data for Q1 showed a slowdown in growth due to tepid consumption activity and weak exports. The economy is also suffering from a falling currency, forcing its central bank to intervene as the dong fell to a new record low against the USD.

Stock specific factors weighed on The BlackRock Greater Europe trust. ASML, its second largest holding, accounting for 7.3% of the fund was down almost 5% after it announced softer than expected sales for Q2. LVMH, its third largest holding, was down 7% as economic pressure weighed on luxury spending.

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

Fund	Sector	(%)	Fund	Sector	(%)
Bellevue Healthcare	Biotechnology & healthcare	(9.7)	Asian Energy Impact Trust	Renewable energy infrastructure	(15.9)
Baillie Gifford Shin Nippon	Japanese smaller companies	(8.5)	Schroder British Opportunities	Growth capital	(10.7)
International Biotechnology	Biotechnology & healthcare	(7.9)	Bellevue Healthcare	Biotechnology & healthcare	(9.3)
Vietnam Enterprise	Country specialist	(7.4)	Gulf Investment Fund	Global emerging markets	(8.9)
Martin Currie Global Portfolio	Global	(6.8)	Custodian Property Income REIT	Property - UK commercial	(8.8)
Manchester & London	Global	(6.7)	VPC Specialty Lending Investments	Debt - direct lending	(8.7)
JPMorgan Japanese	Japan	(6.1)	Target Healthcare REIT	Property - UK healthcare	(7.6)
JPMorgan US Smaller Companies	North American smaller companies	(5.9)	Gore Street Energy Storage Fund	Renewable energy infrastructure	(7.3)
Brown Advisory US Smaller Companies	North American smaller companies	(5.9)	Manchester & London	Global	(7.1)
BlackRock Greater Europe	Europe	(5.8)	Schroders Capital Global Innov Trust	Growth capital	(7.0)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 30/04/24

In terms of the share price performance list, Asian Energy Impact Trust (formerly ThomasLloyd Energy Impact) has continued to sell-off after its listing restoration. This followed the drawn-out debacle surrounding its investment in the Rewa Ultra Mega Solar Park in India. The company has since announced that it will ask shareholders to approve an orderly realisation of its assets. In addition, its shares were once again suspended after it missed a deadline for publishing its annual report.

There does not appear to be a particular catalyst for the fall in the Schroder British Opportunities trust. We did see a large trade well above the company's average daily volume at the beginning of May as the company's discount slipped below 35%. It was a similar story for the Gulf Investment Fund. While there are no specific factors to explain the move, geopolitical concerns may have played a role. The company also trades on thin volume due to very large institutional ownership.

Custodian Property Income REIT's share price came under further pressure in April after the disappointment of its failed bid for abrdn Property Income Trust.

It has been one way traffic for the VPC Specialty Lending Investments fund since it announced it would be proposing a managed wind down at the end of 2022. Shares have lost almost half their value since the announcement, with the illiquid nature of its investments increasing the challenges of returning capital to investors.

It appears that sentiment towards the Gore Street Energy Storage Fund continues to suffer from the issues related to the National Grid's electricity system balancing mechanism which have weighed heavily on peers Gresham House Energy Storage and Harmony Energy Income Trust. This is despite having much less exposure to the UK thanks to a more diversified asset base. As noted above, the other two have bounced following a positive update related to this.

Moves in discounts and premiums

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

Fund	Sector	Disc/ Prem 31/03/24 (%)	Disc/ Prem 30/04/24 (%)	Fund	Sector	Disc/ Prem 31/03/24 (%)	Disc/ Prem 30/04/24 (%)
Hipgnosis Songs	Royalties	(20.1)	19.8	Gulf Investment Fund	Global emerging markets	(0.8)	(9.3)
Schiehallion Fund	Growth capital	(32.8)	(20.2)	Asian Energy Impact Trust	Renewable energy infrastructure	(51.1)	(59.4)
Seraphim Space Investment Trust	Growth capital	(48.0)	(35.9)	Custodian Property Income REIT	Property - UK commercial	(12.8)	(20.9)
Gresham House Energy Storage	Renewable energy infrastructure	(68.0)	(56.5)	Schroder British Opportunities	Growth capital	(27.8)	(34.8)
Macau Property Opportunities	Property - rest of world	(69.4)	(59.6)	VPC Specialty Lending Investments	Debt - direct lending	(32.7)	(39.0)

Source: Morningstar, Marten & Co

Each of the companies featured in this list have already been discussed. Notably, the majority of the funds becoming more expensive still trade on significant discounts.

Money raised and returned

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

Fund	Sector	£m raised	Fund	Sector	£m returned
JPMorgan Global Growth & Income	Global equity income	48.3	Scottish Mortgage	Global	(73.3)
Globalworth Real Estate Investments	Property - Europe	28.9	Smithson Investment Trust	Global smaller companies	(45.5)
Ashoka India Equity Investment	India/Indian subcontinent	19.5	F&C Investment Trust	Global	(33.8)
Invesco Bond Income Plus	Renewable energy infrastructure	4.6	Finsbury Growth & Income	UK equity income	(28.5)
JPMorgan American	Debt - structured finance	4.5	Monks	Global	(23.5)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/03/24. Note: based on the approximate value of shares at 31/03/24

JPMorgan Global Growth & Income which regularly features in the list of top issuers led the charge in raising new capital in Aprill followed by other regulars Ashoka India Equity Investment, and Invesco Bond Income. The JPMorgan American trust has recently started issuing shares, with the company now trading at a premium to NAV. The Globalworth Real Estate trust has also continued to issue shares to satisfy its stock-based compensation plan despite trading at a significant discount.

In terms of money being returned to investors, it was the case of the usual suspects, led by Scottish Mortgage which maintained its pace of buybacks following its recently announced capital allocation programme. We have since learned that activist hedge fund Elliott has been selling down its stake.

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 Equity Income Trust Interim Results Update Strategies - 14/05/24
- Henderson High Income AGM 2024– 14/05/24
- GCP Asset Backed Income AGM 2024– 15/05/24
- Literacy Capital AGM 2024 – 15/05/24
- Renewables Infrastructure Group AGM 2024 – 15/05/24
- JPMorgan American AGM 2024 – 15/05/24
- HgCapital Trust AGM 2024 – 16/05/24
- Global Opportunities Trust AGM 2024 – 16/05/24
- RTW Biotech Opportunities AGM– 16/05/24
- European Assets Trust AGM 2024 – 17/05/24
- Impax Environmental AGM 2024 – 20/05/24
- M&G Credit Income AGM 2024– 21/05/24
- US Solar Fund AGM 2024– 21/05/24
- abrdn UK Smaller Companies Growth shareholder presentation 2024 – 21/05/24
- Riverstone Energy AGM 2024 – 21/05/24
- Greencoat Renewables AGM – 25/04/24
- HydrogenOne Capital Growth AGM 2024 – 21/05/24
- Impact Healthcare REIT AGM 2024 – 21/05/24
- Fidelity Japan Trust AGM 2024 – 22/05/24
- Schroders Capital Global Innovation Trust AGM 2024 – 22/05/24
- HICL Infrastructure shareholder presentation 2024 – 22/05/24
- Riverstone Credit Opportunities Income AGM 2024 – 22/05/24

Major news stories and QuotedData views over March 2024

*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*

Portfolio developments

- North Atlantic Smaller Companies outperforms appropriate UK indices
- Another strong year for 3IN as shares head toward premium
- HydrogenOne Capital Growth continues to see strong portfolio growth
- GCP Infrastructure delivers first step in capital allocation policy
- NextEnergy Solar Fund: Market leading solar energy & energy storage fund
- Weiss Korea Opportunity underperforms by over 20 percentage points
- Positive outlook for Chrysalis after solid start to the year
- Managed run off continues for Aquila Energy Efficiency Trust
- Invesco Perpetual UK Smaller Companies sees a modest drop in NAV
- Oakley Capital's AI Forum, explored how their holdings use AI
- Digital 9 results see NAV slashed again
- Marwyn grinds out positive return in 2023
- BSRT's NAV falls on the back of a challenging market for junior miners
- Ecofin U.S. Renewables dividend swept up by a tornado
- Vietnam Enterprise Investments reports double digit NAV returns
- GRID forced to suspend dividends on falling earnings
- abrdn European Logistics Income's NAV takes a hit as strategic review continues
- GCP Infrastructure sells wind farm loan notes at 6.4% premium
- Improving outlook after tough year for Aquila European Renewables
- Inflation weighs on GCP Infrastructure Investments in Q1

Corporate news

- Three reasons to invest in private credit
- NextEnergy Solar Fund improves RCF terms
- Shareholders want Aquila European Renewables to retain its independence
- Matt Cable to take the helm as Rights and Issues' Dan Nickols retires
- abrdn loses North American Income to Janus Henderson
- Ashoka WhiteOak Emerging Markets announces proposed transaction with the Asia Dragon Trust
- Why Scottish Mortgage favours founder-led companies
- BioPharma Credit announces senior loan to Novocure for up to US$400m
- Cost disclosures – House of Lords writes to FCA
- Blackstone Loan Financing's first results under its new wind-down policy
- Aberforth Split Level Income Trust provides update on wind-up
- Hipgnosis board backs Blackstone offer
- JPMorgan Emerging EMEA Securities gets caught in VTB crossfire
- Bidding war for Hipgnosis steps up a notch
- Boussard & Gavaudan heads toward wind down
- Challenging year for GABI as wind down looms
- Riverstone Credit Opportunities proposes managed wind down
- Interview with Baroness Bowles & Baroness Altmann on cost disclosures

Portfolio developments	Corporate news

Property news

- Unite sells £184m student portfolio
- ICG Longbow expects more bad debts
- New REIT targets £500m IPO
- Triple Point Social Housing REIT to make portfolio sales and cuts ties with troubled tenant
- abrdn Property Income Trust publishes results ahead of managed wind-down vote
- Difficult year for Phoenix Spree Deutschland, focus now on condominium sales
- Supermarket Income REIT enters French market with €75.3m buy

QuotedData views

- QD view – Growth utilities
- QD view – Higher for longer
- QD view – Vietnam, big on ambition
- QD view – Hot stuff

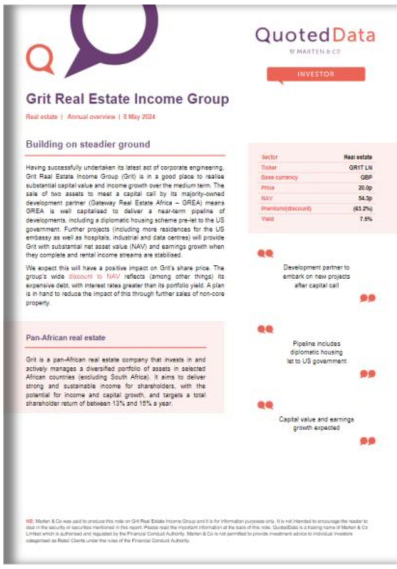
Interviews

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
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, TRIG, UKW, SGRO, HMSO	Charles Jillings	Utilico Emerging Markets
8 March	SONG, ATST, FCIT, TENT	Richard Aston	CC Japan Income & Growth
15 March	HEFT, HNE, GABI, SMT, RGL	Stephen Tredget	Oakley Capital Investments
22 March	API, SONG, SMT, WTAN	Quarterly panel – Has the tide turned?	Witan, Global Smaller Companies, Invesco Perpetual UK Smaller Companies
5 April	JAM, DSM, FEML	Simon Farnsworth	Life Sciences REIT
12 April	TPOU, BOOK, GSF	Phil Waller	JPMorgan Global Core Real Assets

19 April	SONG, BCPT	Jean-Hugues de Lamaze	Ecofin Global Utilities and Infrastructure
26 April	GCP, SONG, BCPT	Ken Wotton	Strategic Equity Capital
3 May	ASIT, CHRY, AEWU, LABS, RECI, PDSL	Laura Foll	Lowland Investment Company
10 May	AERI, NAIT, AWEM	Richard Pindar	Literacy Capital
	Coming up		
17 May		Mark Sheppard	Manchester & London IT
24 May		Ed Hunt	HCL Infrastructure
31 May		Stuart Widdowson	Odyssean Capital
7 June		Olivia MacDonald	Majedie Invetsments
14 June		Luciano Suana	Menhaden

Research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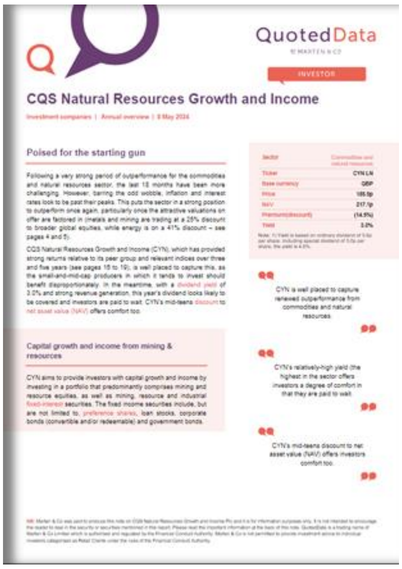
Grit Real Estate Income Group
Building on steadier ground
Pan-African real estate

Having successfully undertaken its latest act of corporate engineering, Grit Real Estate Income Group (Grit) is in a good place to realise substantial capital value and income growth over the medium term. The sale of two assets to meet a capital call by its majority-owned development partner (Gateway Real Estate Africa – GREA) means GREA is well capitalised to deliver a near-term pipeline of developments, including a diplomatic housing scheme pre-let to the US government. Further projects (including more residences for the US embassy as well as hospitals, industrial and data centres) will provide Grit with substantial net asset value (NAV) and earnings growth when they complete and rental income streams are stabilised..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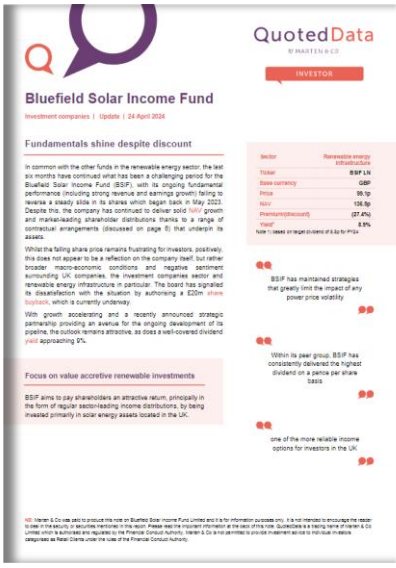
CQS Natural Resources Growth and Income
Poised for the starting gun

Following a very strong period of outperformance for the commodities and natural resources sector, the last 18 months have been more challenging. However, barring the odd wobble, inflation and interest rates look to be past their peaks. This puts the sector in a strong position to outperform once again, particularly once the attractive valuations on offer are factored in (metals and mining are trading at a 25% discount to broader global equities, while energy is on a 41% discount – see pages 4 and 5).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INVESTOR
Bluefield Solar Income Fund
Investment companies | Update | 24 April 2024
Fundamentals shine despite discount
Focus on value accretive renewable investments
BSIF has maintained strategies that greatly limit the impact of any power price volatility
Within its peer group, BSIF has consistently delivered the highest dividend on a pence per share basis
one of the more reliable income options for investors in the UK

In common with the other funds in the renewable energy sector, the last six months have continued what has been a challenging period for the Bluefield Solar Income Fund (BSIF), with its ongoing fundamental performance (including strong revenue and earnings growth) failing to reverse a steady slide in its shares which began back in May 2023. Despite this, the company has continued to deliver solid NAV growth and market-leading shareholder distributions thanks to a range of contractual arrangements (discussed on page 6) that underpin its assets..


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INVESTOR
HydrogenOne Capital Growth
Investment Companies | Update | 23 April 2024
Momentum building despite discount
Diversified green hydrogen exposure
Solid NAV growth and the fundamental momentum of the sector are increasingly reassuring
HGEN now has exposure to HH2E's Lubmin project
Sunfire has seen 10x revenue growth since HGEN's initial investment

While shares of HydrogenOne Capital Growth (HGEN) have continued to fall, investors should be buoyed by the ongoing growth of the portfolio and the accelerating development of the green hydrogen sector. Despite challenging macro-economic conditions (including stubborn inflation and still elevated interest rates), HGEN's net asset value (NAV) grew 5.8% over 2023, while the portfolio generated aggregate revenue growth of 125%. This momentum reflects the rapidly accelerating demand for green hydrogen products and services, with many of HGEN's companies investing heavily to increase productive capacity to cope with growing backlogs.


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abrdn Private Equity Opportunities
Investment companies | Update | 10 April 2023
On the way to greener pastures
Private equity fund of funds with a European bias
APEO's five- and 10-year NAV performance continues to be well ahead of European markets
There are catalysts present for further narrowing of APEO's discount
APEO continues to increase its exposure to direct co-investments

Despite navigating through challenging conditions in 2023, abrdn Private Equity Opportunities (APEO) (now Patria Private Equity, or PPET) achieved remarkable success with recently published annual results reporting both positive net asset value (NAV) growth and double-digit share price returns. APEO's discount to NAV has narrowed by more than 10 percentage points in recent months, so that it is shares are trading on a 28.9% discount currently, narrowing from about 45% last October. This resilience came in spite of a slowdown in activity in European private equity markets in 2023, dampened by a residual fear of rising interest rates and geopolitical tensions..


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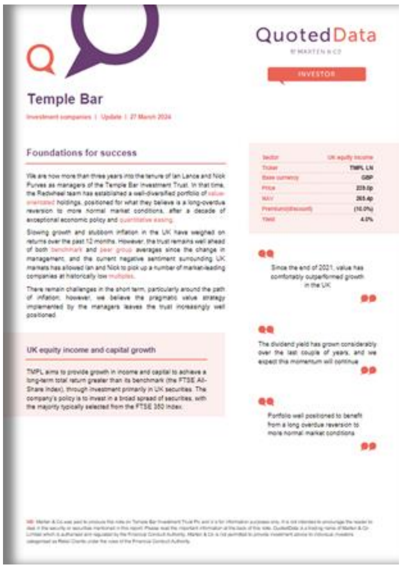
Oakley Capital Investments
Investment companies | Update | 2 April 2024
Getting down to business
Consistent long-term returns from private equity
Partnering with business founders
Leveraging new technology
Cross-fertilisation of ideas in areas such as AI

In spite of an uncertain macroeconomic environment, Oakley Capital Investments' (OCI) underlying portfolio continued to generate robust earnings growth in 2023 (average 14% EBITDA growth), which in turn drove 4% net asset value (NAV) growth. More importantly, OCI achieved an 18% total shareholder return during the period, extending the long run of strong share price performance delivered by the company (an average compound annual growth rate of 24% per year). The same macroeconomic uncertainty is also creating opportunity as OCI's investment manager Oakley has been busy deploying cash into new investments at what it feels are attractive valuations.



We are now more than three years into the tenure of Ian Lance and Nick Purves as managers of the Temple Bar Investment Trust. In that time, the Redwheel team has established a well-diversified portfolio of value-orientated holdings, positioned for what they believe is a long-overdue reversion to more normal market conditions, after a decade of exceptional economic policy and quantitative easing. Slowing growth and stubborn inflation in the UK have weighed on returns over the past 12 months. However, the trust remains well ahead of both benchmark and peer group averages since the change in management, and the current negative sentiment surrounding UK markets has allowed Ian and Nick to pick up a number of market-leading companies at historically low multiples.

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 31/03/24 (%)	Discount 30/04/24 (%)	Change in discount (%)	Median mkt cap 30/04/24 (£m)
1	Royalties[1]	44.4	0.00	(20.1)	19.8	39.9	1,257,582,857
2	Commodities & Natural Resources	13.8	2.61	(16.2)	(20.0)	(3.8)	68,455,851
3	Technology & Technology Innovation	13.3	11.16	(11.0)	(7.6)	3.5	2,428,097,365
4	Farmland & Forestry	10.2	3.86	(34.8)	(34.2)	0.6	115,621,682
5	Debt - Direct Lending	9.8	1.78	(15.3)	(17.4)	(2.1)	134,685,774
6	Global	7.7	6.23	(10.3)	(7.9)	2.4	1,063,351,860
7	Europe	7.0	5.89	(11.8)	(11.0)	0.8	443,983,380
8	Debt - Structured Finance	6.6	4.89	(12.3)	(12.1)	0.2	161,455,484
9	North America	6.5	5.99	(13.1)	(12.5)	0.6	484,803,674
10	Leasing	5.9	7.67	(32.8)	(31.7)	1.0	116,089,556
11	India/Indian Subcontinent	5.7	6.33	(16.3)	(10.6)	5.7	389,284,822
12	Insurance & Reinsurance Strategies	5.7	0.90	(5.7)	(3.4)	2.3	35,415,127
13	Growth Capital	5.3	0.00	(44.9)	(39.5)	5.4	143,742,342
14	Global Emerging Markets	5.3	4.47	(13.0)	(11.3)	1.7	215,701,374
15	Country Specialist	5.0	6.43	(15.3)	(11.4)	3.9	423,238,110
16	UK All Companies	4.7	5.92	(12.5)	(11.8)	0.7	199,187,654
17	Asia Pacific Equity Income	4.4	6.56	(10.7)	(8.9)	1.8	331,566,720
18	Japan	4.0	3.05	(11.2)	(10.5)	0.6	298,285,309
19	UK Smaller Companies	3.7	3.90	(13.7)	(11.5)	2.3	128,331,540
20	European Smaller Companies	3.7	3.35	(12.7)	(11.7)	1.0	495,025,259
21	China / Greater China	3.5	3.44	(11.4)	(10.8)	0.5	188,037,571
22	Property - Rest of World	3.4	0.00	(69.4)	(65.7)	3.7	25,971,008
23	Asia Pacific	3.3	5.42	(13.1)	(10.0)	3.1	579,371,721
24	UK Equity Income	3.1	5.12	(10.2)	(7.1)	3.1	366,765,966
25	Debt - Loans & Bonds	2.9	3.87	(6.4)	(3.5)	2.8	107,024,322
26	Global Smaller Companies	2.7	3.54	(12.7)	(11.2)	1.5	792,505,901
27	UK Equity & Bond Income	2.7	4.15	(10.1)	(9.9)	0.3	271,983,886
28	Liquidity Funds	1.9	2.08	(6.3)	(8.6)	(2.4)	953,829
29	Flexible Investment	1.6	2.35	(23.9)	(17.4)	6.5	88,079,527
30	Private Equity	1.5	1.90	(36.0)	(33.7)	2.3	482,512,912
31	Financials & Financial Innovation	1.3	5.20	(22.9)	(22.4)	0.5	336,104,683

YTD Rank	Sector	Share price total return YTD (%)	NAV total return YTD (%)	Discount 29/02/24 (%)	Discount 31/03/24 (%)	Change in discount (%)	Median mkt cap 31/03/24 (£m)
32	Property - Debt	1.3	0.58	(20.5)	(23.3)	7.1	55,640,848
33	Asia Pacific Smaller Companies	1.1	5.95	(17.5)	(16.0)	2.7	368,999,009
34	Hedge Funds	0.2	0.89	(17.2)	(10.2)	(0.0)	87,303,644
35	Global Equity Income	0.0	3.91	(11.3)	(8.6)	2.3	323,364,881
36	Japanese Smaller Companies	(0.4)	0.22	(7.6)	(7.6)	2.0	249,862,029
37	Biotechnology & Healthcare	(1.2)	2.24	(11.6)	(9.2)	1.5	526,994,716
38	North American Smaller Companies	(1.5)	(0.3)	(12.6)	(10.6)	1.8	198,229,292
39	Environmental	(3.3)	3.48	(31.1)	(29.6)	(0.1)	82,581,126
40	Infrastructure	(3.8)	1.21	(25.2)	(23.4)	2.2	809,194,962
41	Property - UK Commercial	(4.4)	1.40	(24.9)	(25.0)	(3.3)	165,192,182
42	Property - Europe	(5.6)	(0.2)	(41.1)	(38.9)	(0.7)	244,007,219
43	Property - UK Healthcare	(6.6)	2.54	(26.2)	(29.4)	1.8	415,099,774
44	Property - UK Residential	(6.7)	0.12	(60.7)	(61.4)	0.6	165,707,900
45	Renewable Energy Infrastructure	(8.3)	1.45	(33.6)	(31.8)	1.3	295,643,805
46	Property - UK Logistics	(9.1)	0.00	(29.8)	(29.2)	0.1	546,547,526
	MEDIAN	3.0	3.2	(14.7)	(11.8)	1.5	246,934,624.0

Source: Morningstar, Marten & Co. Note 1) Hipgnosis Songs, discussed on page 3 is the only remaining trust in the royalties sector

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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