

QuotedData's Investment Companies Roundup



April
2024

Winners and losers in May 2024

May has been a story of market rebounds, with some of 2024's worst-performing sectors having become the best-performing. Infrastructure securities was the top performing sector over the month. Listed infrastructure was supported by a fall in interest rate expectations in Europe and the UK, as well as an increasingly positive outlook on global GDP growth.

The UK saw an across-the-board rally, reflected in both the small and large cap peer groups. The market sentiment around the UK improved on the back of declining inflation, lower rate expectations, and perhaps the announcement of the general election. The UK reported positive GDP growth over the first quarter of 2024, up 0.6%. This meant that the UK had emerged from recession, improving investor confidence (however, we have since learned that April's GDP figure was flat). The UK is also one of the cheapest developed markets to invest in, which has encouraged takeover bids. These positives for the UK also helped support select segments of the UK property market, largely those with greater structural tailwinds such as healthcare, which reported both positive NAV and share price growth. While not featuring in the top five listed below, the UK logistics sector was also a decent performer.

Much like the UK, Europe also benefited from the tailwinds of declining inflation and higher growth, with the Swedish central bank cutting interest rates (heralding June's 0.25% rate cut by the European Central Bank). Europe's smaller companies benefited most from the changing macroeconomic environment, given that they are more sensitive to the domestic economy. Rate cuts are also good news for growth stocks and the European small cap sector is biased towards such companies.

Best performing sectors in May 2024 by total price return



	Median share price total return (%)	Median NAV total return (%)	Median discount 31/05/24 (%)	Median sector market cap 31/05/24 (£m)	Number of companies in the sector
Infrastructure securities	10.8	9.5	(14.3)	110.9	2
UK smaller companies	8.0	5.7	(11.5)	133.1	26
UK all companies	7.1	5.6	(10.5)	214.4	8
Property - UK healthcare	4.7	1.4	(27.4)	424.8	2
European smaller companies	4.5	4.6	(12.5)	512.8	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

In terms of the worst performers, the property – rest of world sector was this month's laggard. The sector is exposed to three diverse strategies, and its fall was driven by the 7.6% fall in the value of Macau Properties and the 5.7% fall in Aseana Properties. Both of these are small, thinly traded strategies and these losses reflect their own unique issues as much as the global demand for East Asian property.

The falls for other sectors are fairly meagre. Insurance strategies has just two constituents, and its share price return was driven by a widening discount at Life Settlement Assets.

We note that the majority of the debt direct lending sector is currently being wound up, which may mean that the fall in their share prices reflects investors selling out of an effectively amortising asset in favour of trusts with higher capital growth potential.

Indian equities were unsettled by the result of the recent election, which left the current Modi government with fewer seats. Indian equities have also gone through a period of substantial outperformance relative to the wider emerging markets, so the selloff was likely amplified by investors taking profits.

Worst performing sectors in May 2024 by total price return



	Median share price total return (%)	Median NAV total return (%)	Median discount 31/05/24 (%)	Median sector market cap 31/05/24 (£m)	Number of companies in the sector
Property - rest of world	(5.7)	0.0	(67.1)	24.0	3
Insurance & reinsurance strategies	(3.1)	(1.7)	(6.4)	33.9	2
Debt - direct lending	(2.7)	0.0	(16.1)	122.4	5
Japanese smaller companies	(2.4)	(0.5)	(9.1)	245.1	4
India/Indian Subcontinent	(1.2)	(1.0)	(13.5)	390.2	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

Looking now at the best performing companies in terms of NAV growth, Manchester & London leads the way. This isn't surprising given a third of the fund is invested in Nvidia, and a quarter in Microsoft, some of the biggest winners of the AI rally. These two companies were up 32% and 5% respectively over May.

The rest of the top 10 NAV performers were either infrastructure securities or UK funds, which outperformed on the back of the tailwinds that we highlighted earlier. The Premier Miton fund benefited from the gearing provided by its zero dividend preference shares.

In share price terms, the top performer, Foresight Sustainable Forestry, saw its share price surge on 29 May after it announced that it was to be acquired by Averon Park at 97p per share (a 32.9% premium to its close). Around half of the best performers are also UK and infrastructure securities trusts.

Livermore Investments saw its share price rally on the back of its full year results, which saw a reversal of the losses it made in the prior year. Given its portfolio of fixed income assets, a fall in rate expectations would have also supported the trust. We note that the trust also has low trading volumes, which may have led it to increased sensitivity to positive news flow.

HydrogenOne Capital Growth released a positive results announcement for the first quarter of 2024, which included increased profitability for its underlying companies, up 103% on average year-on-year.

JPMorgan Emerging Europe, Middle East & Africa Securities saw its share price rally after being sold off aggressively in April when it was named as a defendant in Russian civil proceedings. In May it provided an update stating that its assets are in fact not subject to the previously announced freezing order with the civil proceedings being brought by VTB. There was not much news surrounding Amedeo Air Four Plus, though its shares may have rallied on the back of improving interest rate expectations, given its high yield.

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



Fund	Sector	(%)	Fund	Sector	(%)
Manchester & London	Global	15.1	Foresight Sustainable Forestry	Farmland & forestry	44.3
Invesco Perpetual UK Smaller	UK smaller companies	11.2	Livermore Investments	Flexible investment	21.7
Premier Miton Global Renewables Trust	Infrastructure securities	10.5	HydrogenOne Capital Growth	Renewable energy infrastructure	20.6
BlackRock Smaller Companies	UK smaller companies	9.7	Oryx International Growth	UK smaller companies	18.6
Henderson Smaller Companies	UK smaller companies	9.0	Rockwood Strategic	UK smaller companies	15.8
Ecofin Global Utilities & Infra	Infrastructure securities	8.5	JPMorgan Emerg E, ME & Africa Sec Plc	Global emerging markets	15.4
Henderson Opportunities	UK all companies	8.4	Amedeo Air Four Plus	Leasing	14.7
abrdn UK Smaller Companies Growth	UK smaller companies	8.4	Premier Miton Global Renewables Trust	Infrastructure securities	14.6
Montanaro UK Smaller Companies	UK smaller companies	8.0	Oryx International Growth	UK smaller companies	18.6
Odyssean Investment Trust	UK smaller companies	8.0	Crystal Amber	UK smaller companies	14.0

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/05/24

Worst performing

The worst performing trusts, in NAV terms, were dominated by global emerging market strategies. However, these funds are not all global mandates, as the list includes regional trusts. The worst of these was the Gulf investment Fund. May marked an usual period of poor performance for the trust, with its NAV hit hardest in the last week of May, as the region's markets were likely impacted by the ongoing military action in the Middle East and weakening oil price.

Ballie Gifford Shin Nippon dramatically underperformed its peers, which will come down to poor stock selection. Using data as at end May, the trust trails its benchmark by 27.6 percentage points over 12 months, 51 percentage points over three years and 47.1 percentage points over five years. The region took a risk off approach over the month, as the Bank of Japan indicated that it does not intend to intervene to stop the yen's decline or lower the cost of borrowing. Gulf and Shin Nippon were the only two trusts to report NAV losses greater than 5%.

Blackrock Latin America's returns are a close approximation to the wider losses of the Latin American market, which was down 4.7% over the month in sterling terms.

The wider emerging markets index was also down over the month, albeit not as much as the Gulf or Latin American regions. The broader-based decline was reflected in the performance of Fidelity Emerging Markets, Barings Emerging EMEA Opportunities, BlackRock Frontiers and JPMorgan Emerging Europe, Middle East & Africa. Part of the decline in the emerging markets (and more so Latin America) can be attributed to the 'hawkish' tone taken by the US Federal Reserve on US interest rates. A strong US dollar is traditionally bad news for emerging market equities.

India Capital Growth's returns were affected by the volatility associated with the election result, but also appear to have been hit quite hard in recent months by the Securities and Exchange Board of India's crackdown on speculative and fraudulent activity in the small and mid-cap sector.

UIL's concentrated portfolio suffered over the month, with its two largest holdings (which make up 60% of its portfolio) down over the month.

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



Fund	Sector	(%)	Fund	Sector	(%)
Gulf Investment Fund	Global emerging markets	(7.8)	Life Science REIT	Property - UK commercial	(15.4)
Baillie Gifford Shin Nippon	Japanese smaller companies	(6.3)	Syncona	Biotechnology & healthcare	(11.8)
BlackRock Latin American	Latin America	(4.8)	Asian Energy Impact Trust	Renewable energy infrastructure	(11.5)
Lindsell Train	Global	(4.4)	Symphony International Holding	Private equity	(10.9)
JPMorgan Emerg E, ME & Africa Sec	Global emerging markets	(4.2)	VPC Specialty Lending Investments	Debt - direct lending	(9.1)
BlackRock Frontiers	Global emerging markets	(4.1)	Aquila Energy Efficiency Trust	Renewable energy infrastructure	(9.0)
India Capital Growth	India/Indian Subcontinent	(3.9)	India Capital Growth	India/Indian Subcontinent	(8.8)
Barings Emerging EMEA Opportunities	Global emerging markets	(3.7)	Residential Secure Income	Property - UK residential	(8.4)
Fidelity Emerging Markets	Global emerging markets	(2.8)	Macau Property Opportunities	Property - rest of world	(7.6)
UIL	Flexible investment	(2.6)	ICG-Longbow Senior Sec. UK Prop Debt Inv	Property - debt	(7.0)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/05/24

In terms of the share price performance list, property trusts were amongst the biggest losers. While higher quality UK-property assets (such as healthcare and logistics) rallied over the month, several other trusts continued their ongoing trend of widening discounts. Life Science REIT was the worst example of this, as there was no negative news released over the period, with its investment advisers actually purchasing shares in May to take advantage of the discount. This was also the case for Residential Secure Income REIT, which also had no negative announcements made over the period. ICG-Longbow Senior Secured UK Property Debt is currently being wound up, with its fall in NAV reflecting issues associated with the three loans that make up its portfolio. We covered Macau Properties earlier.

There was no negative news around Syncona over May, rather it released a positive announcement regarding the clinical trials of one of its holdings. Syncona's negative share price returns likely reflect the large volume of trading made over the third week of May, which could be a large shareholder reducing its stake.

Asian Energy Impact Trust suspended its shares at the start of May and relisted them on the 14th, as the board required additional time to publish its annual report. The report outlined not only the fall in assets, but also the board's intention to wind up the trust. The shares were sold off as a result.

Symphony International Holdings and VPC Specialty Lending Investments are currently being wound up. No material news was released by either company over the month, implying their negative share price returns reflected trading activities of the market rather than company-specific issues.

Aquila Energy Efficiency Trust is also in the midst of a windup, however its discount widened immediately following the completion of a tender offer on 13 May (as part of the windup).

Moves in discounts and premiums



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

Fund	Sector	Disc/ Prem 30/04/24 (%)	Disc/ Prem 31/05/24 (%)	Fund	Sector	Disc/ Prem 30/04/24 (%)	Disc/ Prem 31/05/24 (%)
JPMorgan Emerg E, ME & Africa Sec Plc	Global emerging markets	81.4	117.6	Syncona	Biotechnology & healthcare	(33.4)	(41.2)
Foresight Sustainable Forestry	Farmland & forestry	(34.2)	(5.1)	Life Science REIT	Property - UK commercial	(51.1)	(58.7)
Oryx International Growth	UK smaller companies	(35.6)	(23.6)	Aquila Energy Efficiency Trust	Renewable energy infrastructure	(32.4)	(38.5)
Livermore Investments	Flexible investment	(54.0)	(44.2)	ICG-Longbow Senior Sec. UK Prop Debt Inv	Property - debt	(27.4)	(33.4)
HydrogenOne Capital Growth	Renewable energy infrastructure	(54.8)	(45.4)	VPC Specialty Lending Investments	Debt - direct lending	(38.9)	(45.0)

Source: Morningstar, Marten & Co

Each of the companies featured in this list has already been discussed. On the plus side there are Foresight's bid, JMEA's bounce on its assets being excluded from VTB's actions against JPMorgan, and Oryx on the UK bounce. On the negative, there is no good reason for Syncona and Life Science REIT's discount widening.

Money raised and returned



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

Fund	Sector	£m raised	Fund	Sector	£m returned
JPMorgan Global Growth & Income	Global equity income	31.5	Scottish Mortgage	Global	(363.3)
Ashoka India Equity Investment	India/Indian Subcontinent	12.6	Smithson Investment Trust	Global smaller companies	(45.3)
Geiger Counter	Commodities & natural resources	9.3	Capital Gearing	Flexible investment	(21.1)
TwentyFour Select Monthly Income	Debt - loans & bonds	3.5	Finsbury Growth & Income	UK equity income	(18.8)
CQS New City High Yield	Debt - loans & bonds	2.8	Worldwide Healthcare	UK equity income	(16.7)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/05/24. Note: based on the approximate value of shares at 31/05/24

JPMorgan Global Growth & Income once again tops the list of money raised, issuing shares on the back of the premium it traded on over May. Ashoka India Equity Investment bucked the trend of the Indian equity selloff, issuing shares on the back of its premium rating and superior medium-term performance. Geiger Counter completed the issuance of its subscription shares in May, issuing 12m new shares. TwentyFour Select Monthly Income and CQS New City High Yield both issued shares on the back of their premiums.

In terms of money being returned to investors, the usual suspects have made a repeat appearance with all but one present last month; continually repurchasing shares in an attempt to control their discounts. Worldwide Healthcare made a return to the list.



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:

- [Octopus Renewables Infrastructure AGM 2024 - 19/06/24](#)
- [Schroder European Real Estate AGM 2024 - 19/06/24](#)
- [Baillie Gifford China Growth AGM 2024 - 19/06/24](#)
- [Gresham House Energy Storage AGM 2024 - 20/06/24](#)
- [Cordiant Digital Infrastructure Shareholder presentation 2024 - 20/06/24](#)
- [Martin Currie Global Portfolio Trust AGM 2024 - 20/06/24](#)
- [BlackRock Smaller Companies AGM 2024 - 20/06/24](#)
- [Henderson EuroTrust General meeting 2024 - 20/06/24](#)
- [Pantheon Infrastructure AGM 2024 - 20/06/24](#)
- [Marble Point Loan Financing General meeting 2024 - 20/06/24](#)
- [Balanced Commercial Property AGM 2024 - 20/06/24](#)
- [Urban Logistics REIT Shareholder presentation 2024 - 20/06/24](#)

- [Princess Private Equity Holding AGM 2024 - 21/06/24](#)
- [North American Income Trust AGM 2024 - 21/06/24](#)
- [abrdn European Logistics Income AGM 2024 - 24/06/24](#)
- [Henderson European Focus General meeting 2024 - 24/06/24](#)
- [Vietnam Enterprise Investments AGM 2024 - 24/06/24](#)
- [Shires Income Shareholder presentation 2024 - 25/06/24](#)
- [JLEN Environmental Assets Group Shareholder presentation 2024 - 25/06/24](#)
- [NB Distressed Debt AGM 2024 - 25/06/24](#)
- [Rockwood Strategic Shareholder presentation 2024 - 26/06/24](#)
- [Utilico Emerging Markets Shareholder presentation 2024 - 26/06/24](#)
- [India Capital Growth Fund AGM 2024 - 26/06/24](#)
- [Weiss Korea Opportunity AGM 2024 - 26/06/24](#)
- [North Atlantic Smaller Companies AGM 2024 - 27/06/24](#)



Major news stories and QuotedData views over May 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	Corporate news
<p>HarbourVest hopes to hand back \$150m to \$250m to investors</p> <p>Oakley Capital invests in ProductLife</p> <p>The Edinburgh Investment Trust ticks off strong year with double digit NAV return</p> <p>HgCapital's manager acquires AuditBoard</p> <p>Scottish Mortgage reports on "challenging yet rewarding year"</p> <p>Capital Gearing reports on "far from satisfactory" year</p> <p>Helical's blueprint for growth after painful year</p> <p>Larger Shires Income explores ways to strengthen revenue account</p> <p>Massive buyback drives recovery in Scottish Mortgage share price</p> <p>Outlook remains positive despite modest returns for HICL Infrastructure</p> <p>Steady year for Caledonia not reflected in share price</p> <p>Solid performance from Gore Street Energy Storage belies discount</p> <p>Chrysalis seeks to reassure on wefox</p> <p>Weiss Korea Opportunity underperforms by over 20 percentage points</p>	<p>Downing Strategic Micro-Cap to pay special from FireAngel sale proceeds</p> <p>CT UK High Income now a next generation dividend hero</p> <p>Castelnau Group tweaks performance fee calculation</p> <p>Ashoka WhiteOak Emerging Markets announces proposed transaction with the Asia Dragon Trust</p> <p>GCP Asset Backed ends all offer talks, will start handing back cash</p> <p>No dividends from Harmony this year as it looks for buyers for some or all of its assets</p> <p>Prospectus published for Aberforth Geared Value and Income Trust</p> <p>Averon Park announces proposed acquisition of Foresight Sustainable Forestry</p> <p>Aberforth Split Level Income Trust provides update on wind-up</p> <p>Marble Point Loan Financing receives new requisition to speed up liquidation</p> <p>Odyssean plans tender offer</p> <p>Positive year despite increasing UK focus for STS Global Income & Growth Trust</p>

Portfolio developments	Corporate news
<p>BioPharma Credit announces senior loan to Novocure for up to US\$400m</p> <p>Positive outlook for Chrysalis after solid start to the year</p> <p>Invesco Perpetual UK Smaller Companies sees a modest drop in NAV</p>	<p>Asia Dragon Trust announces strategic review abrdn European Logistics Income to wind down SHIP to return \$31m to shareholders and loosen investment restrictions</p> <p>Pantheon International outlines capital allocation policy Cost disclosures – House of Lords writes to FCA Managed run off continues for Aquila Energy Efficiency Trust</p>

Property News

<p>LondonMetric swaps unwanted LXi retail assets for urban warehouses</p> <p>Home REIT says tenants have surrendered leases on over 600 properties</p> <p>NewRiver REIT weighing up bid for Capital & Regional</p> <p>Picton Property reports earnings growth and dividend uplift</p> <p>British Land posts robust results, with values stabilising</p> <p>Assura enters £250m JV to invest in NHS infrastructure</p> <p>British Land sells Meadowhall stake for £360m</p> <p>Values stabilising for Land Securities after difficult year</p>	<p>Ground Rents Income updates on Leasehold Reform Act</p> <p>Special Opportunities REIT IPO prospectus published</p> <p>Supermarket Income REIT enters French market with €75.3m buy</p> <p>Great Portland Estates launches £350m rights issues</p> <p>New REIT targets £500m IPO</p> <p>Tritax EuroBox continues strategic revival in challenging market</p> <p>Triple Point Social Housing REIT to make portfolio sales and cuts ties with troubled tenant</p>
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QuotedData views

<p>QD view – Dividend royalty: Our top 4 income payers to beat inflation and optimise returns</p> <p>QD view – Signals turn green for real estate</p> <p>QD view – Family fortunes</p> <p>QD view – Growth utilities</p> <p>QD view – Higher for longer</p>



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
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

Friday	The news show	Special Guest	Topic
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
17 May	GCP , AGIT	Mark Sheppard	Manchester & London IT
24 May	MPLF , OIT , ASLI	Ed Hunt	HCL Infrastructure
31 May	AGIT , FSF , HEIT	Nick Brind	Polar Capital Global Financial

Coming up

Friday	The news show	Special Guest	Topic
21 June		Quarterly panel – big discounts	Nick Greenwood , Peter Hewitt , Ben Ritchie
28 June		Nick Train	Finsbury Growth & Income
5 July		James Baker	The Investment Company
19 July		Chris Clothier	Capital Gearing

Research

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Montanaro UK Smaller Companies
Investment Company | Annual Review | 14 June 2024

A cooled spring?

Charles Montanaro, the manager of Montanaro UK Smaller Companies Investment Trust (MTU), has remained stalwart in the face of investor aversion to the UK equity market. His bullishness is based on the increasingly attractive valuations being assigned to UK equities, as many of MTU's holdings continue to generate decent earnings based on their historic performance, with several reporting their highest ever annual revenues.

There may also be catalysts ahead that could precipitate a positive shift in investor sentiment, thanks to declining UK inflation (which could soon lead to lower interest rates), higher than expected GDP growth and generally robust UK businesses and consumers.

Improving sentiment could be a powerful boost to MTU shareholders' returns, not only as its net asset value (NAV) rebounds but also as its wide discount to NAV narrows.

UK small cap with a bias to quality

MTU aims to achieve capital appreciation through investing in small capital companies listed on the London Stock Exchange or listed on AIM, and to replicate its benchmark, the Deutsche Name Smaller Companies Index (excluding investment companies).

MTU's attractive dividend yield offers additional advantages for income investors.

Metric	Value
NAV	95.12p
Share price	127.50p
Price/NAV	1.34x
Dividend yield	4.7%

Charles Montanaro, the manager of Montanaro UK Smaller Companies Investment Trust (MTU), has remained stalwart in the face of investor aversion to the UK equity market. His bullishness is based on the increasingly attractive valuations being assigned to UK equities, as many of MTU's holdings continue to generate decent earnings based on their historic performance, with several reporting their highest ever annual revenues. There may also be catalysts ahead that could precipitate a positive shift in investor sentiment, thanks to declining UK inflation (which could soon lead to lower interest rates), higher than expected GDP growth and generally robust UK businesses and consumers. Improving sentiment could be a powerful boost to MTU shareholders' returns, not only as its net asset value rebounds but also as its wide discount to NAV narrows.

Polar Capital Global Financials Trust (PCFT) has had a good six months both in net asset value (NAV) terms, where returns have been ahead of both its MSCI All-Countries World Financials Index performance benchmark and the global MSCI All Countries World Index, and in share price terms, as the share price discount to NAV has narrowed. Next year's liquidity opportunity (see page 12) ought to help the discount narrow further. It is early days, but the team reviewed the investment process with the recent hiring of new co-manager Tom Dorner (see page 14). Active share has increased, and the trust has reduced its exposure to banks (which has been a headwind to performance historically). The managers are cautiously optimistic.

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Polar Capital Global Financials Trust
Investment Company | Update | 14 June 2024

Handful of themes to drive performance

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As we explore in this note, they have identified five core themes that they feel will help drive further performance: alternative asset managers, a strong pricing environment for insurance companies, growth and value within emerging markets, credit/real estate and leverage, and a need to be selective in PCFT's exposure to banks.

Opening income and capital from financials stocks

PCFT aims to generate a growing dividend income, together with the opportunity to create primarily, at a great price, a portfolio of value or growth opportunities by comparison to the broader market. This liquidity option, the yield quality, investment opportunity, asset managers, stock strategies, credit/real estate and leverage, and a need to be selective in PCFT's exposure to banks.

Metric	Value
NAV	102.12p
Share price	127.50p
Price/NAV	1.25x
Dividend yield	4.7%

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Ecofin Global Utilities and Infrastructure Trust
Investment Company | Update | 14 June 2024

Momentum building

After a challenging 18-month period, things are beginning to look a lot brighter for the Ecofin Global Utilities and Infrastructure Trust (EGL). Since the middle of February, strong earnings, artificial intelligence (AI) related momentum behind growing electricity demand, and a shifting macroeconomic outlook have contributed to a 23% bounce in the company's shares. The recent rally reflects the company's NAV performance and the considerable opportunity which exists across the utilities and infrastructure sectors as the energy transition gathers steam. In our view, the structural upside of the EGL portfolio remains dramatically underappreciated by the market, and with shares still trading at a double-digit discount, investors have an opportunity to invest in a long-term market leader at a very attractive price.

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EGL maintains a portfolio of assets with high barriers to entry, effective pricing power, sustainable growth and predictable cash flows.

The valuation gap between utilities and the broader market remains historically extreme levels.

The ability to drive long-term earnings growth provides a lot for market participants.

Metric	Value
NAV	95.12p
Share price	127.50p
Price/NAV	1.34x
Dividend yield	4.7%

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Vietnam Holding Limited
Investment companies | Update | 13 June 2024

Stellar performance with plenty of potential

Vietnam Holding (VNH) has provided strong absolute and relative returns during the last 12 months, expanding its record of outperformance of both peers and relevant benchmarks.

The introduction of a share redemption opportunity at net asset value (NAV) less associated costs (the first of which is on 30 September this year – see page 21) has significantly narrowed VNH's share price discount to NAV so that a 25.7% NAV return translated into a 48.2% share price return over the 12 month period ended 31 May 2024.

However, with strong growth drivers still in place (see page 5) and attractive valuations, there could be lots more to come. We think that as current headwinds abate and become supportive tailwinds, VNH could shift to trade at a premium to NAV and be in a position to issue stock.

Capital growth from a concentrated portfolio of high growth Vietnamese companies

VNH aims to provide investors with long-term capital appreciation by investing in a portfolio of high-growth companies in Vietnam. These should consist of an attractive valuation and demonstrate strong environmental, social and corporate governance performance. In addition, by investing primarily in publicly-listed Vietnamese equities, it can also benefit from liquidity, transparency and can take the advantage of foreign companies if a majority of their assets and/or operations are located in Vietnam.

Return	Change
Share price	48.2%
NAV	25.7%
UK All-Share	10.1%
FTSE 100	1.2%
MSCI Vietnam	12.5%
MSCI Vietnam ex-Financials	13.8%
MSCI Vietnam ex-Financials ex-Consumer	14.1%

- Black selected a primary driver of outperformance
- Decision to increase investment to banks has been beneficial
- Industrial and property holdings have performed well

Vietnam Holding (VNH) has provided strong absolute and relative returns during the last 12 months, expanding its record of outperformance of both peers and relevant benchmarks. The introduction of a share redemption opportunity at net asset value (NAV) less associated costs (the first of which is on 30 September this year – see page 21) has significantly narrowed VNH's share price discount to NAV so that a 25.7% NAV return translated into a 48.2% share price return over the 12 month period ended 31 May 2024. However, with strong growth drivers still in place (see page 5) and attractive valuations, there could be lots more to come. We think that as current headwinds abate and become supportive tailwinds, VNH could shift to trade at a premium to NAV and be in a position to issue stock.

Dan Whitestone, BlackRock Throgmorton's (THRG's) manager, believes that the historic selloff of UK equities, with investors taking their money out of UK equities in record numbers, is a behaviour that represents both a disconnect to the strong earnings reported by UK companies, and an attractive valuation opportunity based on the current price of UK equities relative to said earnings. UK companies remain more than competitive compared to international peers based on predicted their predicted earnings growth and valuations, and overseas companies are taking advantage of the situation to snap up UK peers at rock-bottom prices. Investors also seem to overlook the UK economy's improving fundamentals, with business confidence turning positive, the UK consumer remaining robust, and inflation falling to low single digits.

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BlackRock Throgmorton Trust
Investment companies | Annual update | 30 June 2024

Throgmorton – get it while the price is good

Over the last 12 months, BlackRock Throgmorton's (THRG) manager believes that the historic selloff of UK equities, with investors taking their money out of UK equities in record numbers, is a behaviour that represents both a disconnect to the strong earnings reported by UK companies, and an attractive valuation opportunity based on the current price of UK equities relative to said earnings. UK companies remain more than competitive compared to international peers based on their predicted earnings growth and valuations, and overseas companies are taking advantage of the situation to snap up UK peers at rock-bottom prices. Investors also seem to overlook the UK economy's improving fundamentals, with business confidence turning positive, the UK consumer remaining robust, and inflation falling to low single digits.

When the next round of THRG's **net asset value (NAV)** calculations are issued, the share price and NAV discount over the last year, the **NAV return** will still be estimated at a minimum of 30%.

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

THRG aims to provide shareholders with capital growth and an attractive value return by investing primarily in UK small and mid-cap companies, alongside international companies listed on the London Stock Exchange (LSE), among listed UK smaller companies from THRG's portfolio may include a meaningful allocation to shares, as well as long position in stocks.

Return	UK All-Share
Share price	30.0%
NAV	30.0%
UK All-Share	10.1%
FTSE 100	1.2%
MSCI UK	12.5%
MSCI UK ex-Financials	13.8%
MSCI UK ex-Financials ex-Consumer	14.1%

- The UK sell-off does not reflect the strong earnings potential of the region
- THRG's historically wide discount offers a potentially attractive entry point
- With the possibility of a future net asset value, and the ongoing election, there are catalysts for a UK rebound

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RESEARCH & ANALYSIS

AVI Global Trust
Investment companies | Update UK small cap

Thriving under pressure

The AVI Global Trust (AGT) has gone from strength to strength as its managers identify a wealth of opportunities. A share price total return of over 30% in the past year highlights the value of the company's strategy of targeting high-quality companies whose shares are trading at a discount to their intrinsic value.

Against a backdrop of markets adjusting to structurally higher interest rates, especially in the US, we expect this momentum to continue, and the value of less correlated market returns (in other words returns not tied to the performance of broader market indexes), such as those provided by AGT, to increase.

Despite its strong performance, the company continues to trade on a share price discount to net asset value (NAV) of 7.4%. Given AGT's performance track record and increasingly optimistic outlook, we believe this is an attractive entry point for investors, particularly for those looking to manage exposure to increasingly concentrated and expensive market indexes.

Return	UK All-Share
Share price	30.0%
NAV	30.0%
UK All-Share	10.1%
FTSE 100	1.2%
MSCI UK	12.5%
MSCI UK ex-Financials	13.8%
MSCI UK ex-Financials ex-Consumer	14.1%

- AGT has successfully navigated the headwinds of an easy money economy
- The management team began to identify an increasing number of opportunities across the UK
- AGT Global Trust (AGT) has earned net asset value premium

The AVI Global Trust (AGT) has gone from strength to strength as its managers identify a wealth of opportunities. A share price total return of over 30% in the past year highlights the value of the company's strategy of targeting high-quality companies whose shares are trading at a discount to their intrinsic value. Against a backdrop of markets adjusting to structurally higher interest rates, especially in the US, we expect this momentum to continue, and the value of less correlated market returns (in other words returns not tied to the performance of broader market indexes), such as those provided by AGT, to increase. Despite its strong performance, the company continues to trade on a share price discount to net asset value (NAV) of 7.4%. Given AGT's performance track record and increasingly optimistic outlook, we believe this is an attractive entry point for investors, particularly for those looking to manage exposure to increasingly concentrated and expensive market indexes.



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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 30/04/24 (%)	Discount 31/05/24 (%)	Change in discount (%)	Median mkt cap 31/05/24 (£m)
1	Farmland & Forestry ¹	44.3	3.9	(34.2)	(5.1)	29.2	166,894,393
2	Royalties ²	10.8	11.5	10.0	6.0	(4.1)	1,216,469,572
3	Technology & Technology Innovation	8.0	16.3	(7.6)	(10.4)	(2.9)	2,463,086,707
4	Commodities & Natural Resources	7.1	6.5	(20.0)	(20.7)	(0.6)	75,596,617
5	Leasing	4.7	6.5	(31.7)	(30.1)	1.6	133,107,920
6	UK Smaller Companies	4.5	11.5	(11.5)	(11.5)	(0.0)	133,143,030
7	Debt - Structured Finance	4.1	7.2	(12.1)	(13.4)	(1.3)	159,963,048
8	UK All Companies	3.9	11.9	(11.8)	(10.5)	1.4	214,403,378
9	Europe	3.7	8.8	(11.0)	(9.4)	1.5	456,852,463
10	European Smaller Companies	3.7	10.0	(11.7)	(12.4)	(0.8)	512,845,911
11	UK Equity Income	3.6	9.9	(7.1)	(8.5)	(1.4)	410,692,487
12	Global	2.8	8.0	(7.9)	(8.9)	(1.0)	1,087,939,361
13	North America	2.6	6.7	(12.5)	(12.0)	0.5	481,507,721
14	Country Specialist	2.6	10.1	(11.4)	(10.7)	0.7	426,717,632
15	Debt - Direct Lending	2.4	1.3	(15.9)	(16.1)	(0.2)	122,441,612
16	Global Smaller Companies	2.0	6.3	(11.2)	(11.7)	(0.5)	799,177,862
17	Asia Pacific Equity Income	1.7	5.7	(8.9)	(9.1)	(0.1)	332,953,433
18	Debt - Loans & Bonds	1.7	4.8	(3.5)	(4.3)	(0.8)	106,875,691
19	Japan	1.5	4.3	(10.5)	(10.3)	0.3	300,842,928
20	UK Equity & Bond Income	1.5	6.1	(9.9)	(9.7)	0.1	279,730,263
21	China / Greater China	1.4	4.9	(10.8)	(8.5)	2.3	190,949,657
22	Global Emerging Markets	1.3	2.1	(11.3)	(10.5)	0.8	217,121,317
23	India/Indian Subcontinent	1.3	5.2	(10.6)	(13.6)	(3.0)	390,200,610
24	Asia Pacific	1.2	4.1	(10.0)	(9.5)	0.6	560,331,336
25	Growth Capital	1.1	0.0	(39.5)	(41.6)	(2.2)	157,025,463
26	Financials & Financial Innovation	1.1	6.6	(22.4)	(22.2)	0.1	344,450,329
27	Flexible Investment	1.0	2.6	(17.4)	(17.8)	(0.4)	90,354,424
28	Global Equity Income	1.0	5.3	(8.6)	(9.0)	(0.4)	321,405,094
29	Insurance & Reinsurance Strategies	0.9	6.0	(9.8)	(10.9)	(1.1)	33,850,958
30	Asia Pacific Smaller Companies	0.9	3.8	(16.0)	(16.0)	0.1	371,848,423
31	Private Equity	0.4	1.3	(33.5)	(33.0)	0.4	488,746,946

YTD Rank		Share price total return YTD (%)	NAV total return YTD (%)	Discount 30/04/2024 (%)	Discount 31/05/24 (%)	Change in discount (%)	Median mkt cap 31/05/24 (£m)
32	Property - Debt	0.3	0.6	(23.4)	(18.0)	5.3	52,128,138
33	Hedge Funds	0.1	0.1	(10.4)	(9.5)	0.9	86,796,317
34	Environmental	0.0	8.6	(29.6)	(28.8)	0.8	84,161,626
35	Infrastructure Securities	0.0	(0.3)	(15.7)	(14.3)	1.4	110,861,982
36	Biotechnology & Healthcare	0.0	0.2	(9.2)	(9.3)	(0.1)	515,281,518
37	North American Smaller Companies	0.0	1.1	(10.6)	(11.7)	(1.2)	197,952,608
38	Property - UK Healthcare	0.0	4.9	(30.0)	(27.4)	2.6	424,834,797
39	Japanese Smaller Companies	(0.5)	(0.3)	(7.6)	(9.1)	(1.5)	245,149,032
40	Infrastructure	(0.8)	1.9	(23.4)	(22.7)	0.7	819,792,771
41	Property - Rest of World	(1.2)	0.0	(65.7)	(67.1)	(1.4)	23,992,264
42	Property - Europe	(2.4)	(5.1)	(38.9)	(39.9)	(1.0)	256,372,449
43	Property - UK Logistics	(2.7)	0.0	(29.2)	(27.6)	1.6	560,706,788
44	Property - UK Residential	(3.1)	0.1	(61.5)	(62.6)	(1.1)	154,343,608
45	Property - UK Commercial	(3.2)	1.4	(25.8)	(27.1)	(1.3)	137,829,529
46	Renewable Energy Infrastructure	(3.3)	1.1	(31.8)	(32.8)	(1.0)	312,967,636
47	Latin America	(5.7)	(14.1)	(14.0)	(12.9)	1.1	108,370,999
	MEDIAN	4.1	4.8	(11.8)	(12.0)	(0.1)	256,372,449

Source: Morningstar, Marten & Co. Note 1) Foresight Sustainable Forestry is the only remaining trust in the Farmland & Forestry sector 2) Hipgnosis Songs is the only remaining trust in the royalties sector



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