

QuotedData's Investment Companies Roundup



November
2024



November 2024

Monthly roundup | Investment companies

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Winners and losers in October 2024

North American stocks ended October with gains after employment reports failed to hit estimates, recording the lowest increase in jobs since the end of 2020, thereby improving hopes of interest rate cuts. Nevertheless, the dollar strengthened against the pound, and this accounted for the bulk of the NAV appreciation in US dollar-exposed investments over the month (including investment companies in the hedge fund and debt sectors). More growth-focused trusts such as Baillie Gifford US Growth led the pack. As sterling NAVs rose, discounts on US trusts narrowed, boosting share price returns.

Best performing sectors in October 2024 by total price return



	Median share price total return (%)	Median NAV total return (%)	Median discount 31/10/24 (%)	Median sector market cap 31/10/24 (£m)	Number of companies in the sector
North America	5.5	3.4	(11.2)	518.1	6
Hedge funds	4.3	4.1	(9.1)	88.0	7
Technology & technology innovation	3.5	4.1	(12.0)	2,538	2
Debt - loans and bonds	3.5	2.3	0.4	137.7	9
Debt - structured finance	3.4	2.1	(21.0)	167.2	5

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

On the downside, in the wake of the budget, select Property – UK logistics funds suffered share price falls, led by Tritax Big Box REIT, whilst the Property – rest of World sector returns were impacted by discount widening. This included Ceiba Investments, which continues to be hit by macro factors surrounding Cuba's economic difficulties and worsening relations with the US, and Macau Property Opportunities. Across the globe, Indian equities were affected by a somewhat unexpected large bout of profit taking by foreign investors, with the Nifty 50 index, the country's top benchmark, falling by over 6%, marking the worst monthly fall since March 2020. It may be that investors had concerns over the weaker than expected Q2 earnings results.

Worst performing sectors in October 2024 by total price return



	Median share price total return (%)	Median NAV total return (%)	Median discount 31/10/24 (%)	Median sector market cap 31/10/24 (£m)	Number of companies in the sector
Property - UK logistics	(6.7)	0.0	(26.8)	555.9	3
Property - rest of World	(5.8)	0.0	(68.1)	19.1	3
India/Indian Subcontinent	(5.0)	(1.4)	(16.4)	408.0	4
Europe	(4.1)	(3.2)	(11.2)	532.5	6
Japan	(4.0)	(1.1)	(15.3)	284.8	5

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

In early October, European stocks had a downturn fuelled by disappointing results from large companies such as the fashion giant LVMH, a core holding for some European focused funds, and higher than expected inflation which has likely scuppered

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the chances of a 0.5% interest rate cut in December. The benchmark European index Stoxx 600 closed the month with a monthly decline of 3.4%, the worst in a year.

In Japan, uncertainty over the Bank of Japan's upcoming decisions, and a setback for Prime Minister Shigeru Ishiba as voters in his snap general election deserted the LDP, may have unnerved investors.

Best performing

As above, US dollar strength had a big influence on the table. An all-time high price of gold in October saw both Golden Prospect Precious Metals' NAV and share price rise by double figures. This has seemingly been driven by increasing concerns surrounding geopolitical risks, alongside the uncertainty of the direction of inflation brought on by potential outcomes of the US election, resulting in investors looking to protect their investments. Elsewhere in the commodities world, Geiger Counter's NAV was driven by renewed optimism in nuclear energy, in addition to rising prices amidst limited supply due to a Western ban on Russian uranium as the war in Ukraine continues.

Manchester & London's NAV continues to climb, driven by share price appreciation of its largest holding, Nvidia, with the Bank of America among others, raising its rating for the stock.

PRS REIT enjoyed a 11% growth in NAV from increasing rental income on its private rented housing portfolio which grew by 12% on a like for like basis. Later in the month, the trust announced that it was undertaking a strategic review to consider the future of the company following shareholder pressure. PRS REIT enjoyed a 11% growth in NAV from increasing rental income on its private rented housing portfolio which grew by 12% on a like for like basis. Later in the month, the trust announced that it was undertaking a strategic review to consider the future of the company following shareholder pressure.

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



Fund	Sector	(%)	Fund	Sector	(%)
Golden Prospect Precious Metal	Commodities and natural resources	13.5	Ecofin US Renewables Infrastructure	Renewable energy infrastructure	20.1
Manchester & London	Global	10.3	Atrato Onsite Energy	Renewable energy infrastructure	18.6
Geiger Counter	Commodities and natural resources	9.2	Livermore Investments	Flexible investment	16.1
PRS REIT	Property - UK residential	7.8	NB Distressed Debt Inv Extended Life	Debt - loans and bonds	14.0
NB Distressed Debt Inv Extended Life	Debt - loans and bonds	7.6	JPMorgan Emerg Europe, ME & Africa	Global emerging markets	13.7
Third Point Investors USD	Hedge funds	7.1	JPEL Private equity	Private equity	12.1
CQS Natural Resources G&I	Commodities and natural resources	6.8	UIL	Flexible investment	10.9
NB Distressed Debt	Debt - loans and bonds	6.5	Golden Prospect Precious Metal	Commodities and natural resources	10.7
US Solar Fund	Renewable energy infrastructure	5.1	US Solar Fund	Renewable energy infrastructure	10.3
Baillie Gifford US Growth	North America	5.1	Life Science REIT	Property – UK commercial	9.9

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/10/24

NB Distressed Debt's NAV and share price came from the release of \$10.7m via cash distributions from an oil & gas asset, that raised the prospect of cash distributions to shareholders. Livermore's discount narrowed, but it is not clear why, perhaps a delayed reaction to the results it announced at the end of September. In contrast to the share price move, the news on JPMorgan Emerging Europe, Middle East and Africa's Russian assets was negative – during the month, the company said: "we believe our ability to recover or realise the value of assets has now become even more uncertain". That makes the share

price move all the more puzzling, but since the end of the month, Trump's win may have improved the odds a little, and perhaps the share price move was in anticipation of this.

It seems that Ecofin US Renewables Infrastructure's surge in share price is a delayed reaction to the announcement of its wind up in September. There has been a fair bit of turnover in the stock which may have cleared out a seller. Also in the Renewable energy infrastructure sector, Atrato Onsite Energy's share price shot up after news of the sale of all of its solar assets to a joint venture vehicle owned by Brookfield and RAIM Apollo at a headline price of £218.7m.

JPEL Private equity, which is in wind down mode, has entered into a put option arrangement in respect of its largest holding, which could accelerate its chances of turning it into cash. UIL announced plans to go private and began a restructuring of its portfolio.

Worst performing

Home REIT's place in the table reflects the long-awaited publication of its 2022 annual results. This confirmed a large decrease in NAV, and this was followed by shareholders approving a managed wind down of the portfolio. Two other funds in this table have also since thrown in the towel - Weiss Korea Opportunity Fund, where its board launched a strategic review of the back of weak performance, and JPMorgan Global Core Real Assets (see below).

In the UK, one big factor was the impact of the UK budget, as investors took profits ahead of an expected CGT hike and changes to inheritance tax. AIM shares were particularly affected, disproportionately hitting UK smaller companies trusts.

Rising government bond yields knocked interest rate sensitive sectors such as utilities, infrastructure, renewable energy generation, real estate, and growth capital – hitting funds as diverse as Premier Miton Global Renewables, Seraphim Space, JPMorgan Global Core Real Assets, and Tritax EuroBox.

Literacy Capital had a bad month as news of its first quarterly NAV decline since 2020 was accompanied by a decision to raise management fees and cut its donations to charity.

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



Fund	Sector	(%)	Fund	Sector	(%)
Home REIT	Property - UK residential	(62.7)	JPMorgan Global Core Real Assets	Flexible investment	(14.6)
Premier Miton Glb Renewables	Infrastructure securities	(7.7)	Seraphim Space Investment Trust	Growth capital	(13.4)
Weiss Korea Opportunity	Country specialist	(7.0)	Oryx International Growth	UK smaller companies	(12.8)
Odyssean Investment Trust	UK smaller companies	(6.7)	Literacy Capital PLC	Private equity	(10.2)
BlackRock Greater Europe	Europe	(5.2)	Tritax Big Box	Property - UK logistics	(10.2)
Henderson Smaller Companies	UK smaller companies	(5.1)	Gresham House Energy Storage	Renewable energy infrastructure	(9.6)
Aberforth Geared Value & Income	UK smaller companies	(5.0)	Foresight Solar	Renewable energy infrastructure	(9.4)
Fidelity European Trust	Europe	(5.0)	SDCL Energy Efficiency Income	Renewable energy infrastructure	(8.9)
Aberforth Smaller Companies	UK smaller companies	(4.8)	Chrysalis Investments Limited	Growth capital	(8.6)
Schroder UK Mid Cap	UK all companies	(4.6)	Miton UK Microcap	UK smaller companies	(8.5)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/10/24

Moves in discounts and premiums



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

Fund	Sector	Disc/ Prem 30/09/24 (%)	Disc/ Prem 31/10/24 (%)	Fund	Sector	Disc/ Prem 30/09/24 (%)	Disc/ Prem 31/10/24 (%)
JPMorgan Emerg Europe, ME & Africa	Global emerging markets	116.2	130.3	JPMorgan Global Core Real Assets	Flexible investment	(12.2)	(25.6)
Atrato Onsite Energy	Renewable energy infrastructure	(27.2)	(14.1)	Literacy Capital	Private equity	(0.9)	(11.0)
ICG-Longbow Senior Sec. UK Prop Debt Inv	Property - debt	(43.6)	(34.0)	Oryx International Growth	UK smaller companies	(21.1)	(31.1)
Livermore Investments	Flexible investment	(38.0)	(29.6)	Tritax Big Box	Property - UK logistics	(13.4)	(22.4)
Jupiter Green	Environmental	(20.0)	(12.1)	Foresight Solar	Renewable energy infrastructure	(18.5)	(27.0)

Source: Morningstar, Marten & Co

We discussed JPMorgan Emerging Europe, Middle East & Africa's discount narrowing above. Atrato Onsite's move reflects its portfolio disposal. ICG Longbow (which is in wind up) announced some encouraging interim results that suggested that although the NAV had fallen, there was some progress towards realisations. Jupiter Green said in July that it was evaluating options for its future, but there has been no new since.

JPMorgan Core Real Assets announced another fall in its NAV during the month, but (as discussed above) has since decided to implement a managed wind down. As discussed previously, Literacy Capital upset some investors with its management fee hike and charity donation cut. Oryx announced a couple of NAV-boosting disposals that are yet to be reflected in its share price. Tritax Big Box and Foresight Solar are casualties of rising bond yields.



Money raised and returned

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

Fund	Sector	£m raised	Fund	Sector	£m returned
Globalworth Real Estate Investments	Property - Europe	26.3	Scottish Mortgage	Global	(163.3)
JPMorgan Global Growth & Income	Global equity income	22.7	Monks	Global	(44.7)
UIL	Flexible investment	10.1	F&C Investment Trust	Global	(44.0)
Law Debenture	UK equity income	7.1	Smithson Investment Trust	Global	(39.6)
Invesco Bond Income Plus	Debt - loans and bonds	4.5	Finsbury Growth & Income	UK equity income	(36.5)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/10/24. Note: based on the approximate value of shares at 31/10/24

Globalworth issued shares to satisfy its scrip dividend. UIL's share issuance was in connection with its acquisition of the minorities in Zeta Resources. JPMorgan Global Growth & Income, Law Debenture, and Invesco Bond Income Plus continue to be able to drip out shares to satisfy demand and moderate their premium ratings.

On the other side of the equation, the shrinkage of the sector continues with buybacks outweighing share issuance by 110 companies and £836m. We said goodbye to Witan and JPMorgan Japan Small Cap Growth and Income as their respective mergers (with Alliance Trust and JPMorgan Japanese) went through. We also lost Gulf Investments.

The funds returning the most money during October were the usual suspects.

A dark purple banner with white and orange text. The text reads: "QUOTEDDATA'S INVESTORS' CHOICE AWARDS", "CHOOSE YOUR FAVOURITE TRUSTS AND BE IN WITH A CHANCE OF WINNING £5,000", "30 SEPTEMBER - 17 NOVEMBER", and a red button that says "VOTE NOW". On the right, there is a circular logo with "2024" at the top, "QUOTEDDATA" in the middle, and "INVESTORS' CHOICE AWARDS" at the bottom. A stylized white line graphic is on the left side of the banner.

QUOTEDDATA'S INVESTORS' CHOICE AWARDS

**CHOOSE YOUR FAVOURITE TRUSTS
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VOTE NOW

2024
QUOTEDDATA
**INVESTORS' CHOICE
AWARDS**

Here at QuotedData we spend a lot of time thinking of new ways to get the message across that the best investment companies can make the best long-term investments.

Every year, the industry hands out awards to the managers and trusts that it thinks are doing the best job for investors, but we thought – why not ask investors what they think?

To keep things simple, we asked a panel of industry experts (see below) to whittle down a long list of funds into a shortlist of four nominees in each of 10 categories, so you get the chance to tell us which of the nominees is your favourite.

The process of judging should not take too long for those of you that know these funds well, but for those that do not, there will be links to information on each trust.

As an incentive, we are offering a £5,000 prize to the lucky judge who gets closest to predicting the winners in each of the 10 categories. If there is more than one of these, the winner will be selected at random from all those that got closest.

Major news stories and QuotedData views over October 2024



Portfolio developments

- VH Global completes two solar projects in Australia
- BioPharma Credit gets exposure to spine surgery specialist Alphatec
- Cordiant Digital Infrastructure makes Belgian Data Centre Acquisitions
- Oakley Capital Investments sells Schülerhilfe
- CQS City Natural Resources benefits from substantial discount narrowing
- Schroder Oriental Income navigates weak Chinese market successfully
- GCP Infrastructure hints at big disposal in the works
- Gore Street Energy Storage's Big Rock secures 12-year RA contract
- International Public Partnerships backs BeNEX to buy Abellio Germany
- Gulf bows out with another good set of results
- Annual results a sign of what's to come for Seraphim Space Investment Trust
- Fidelity Emerging Markets delivers welcome performance improvement
- Syncona commits another £19.9m to Purespring Therapeutics
- Oakley Capital Fund V snaps up Assured Data Protection
- 3i Infrastructure receives binding offer for Valorem stake
- RTW backs obesity drug firm
- VietNam Holding delivers knockout year with 43% return

Corporate news

- Henderson International Income to top up dividends from capital
- QuotedData's October 2024 budget day briefing
- Baillie Gifford Japan convinced it can turn its fortunes around
- VinaCapital Vietnam Opportunity new team in place
- Asia Dragon Trust and Invesco Asia Trust to merge
- Good news for Hansa as Ocean Wilsons sells Brazilian business
- JPMorgan Emerging EMEA Securities updates on Russian court order
- Castlenau's Dignity buys Augmentum Fintech's Farewill
- AVI Japan Opportunity to offer annual tender offers
- InfraRed Capital Partners to manage Digital 9 Infrastructure
- Newly merged Alliance Witan appoints new stockpicker
- UIL thinking of going private after bout of poor performance
- Atrato Onsite Energy to sell entire portfolio

Property news

- Regional REIT to install solar panels on offices
- PRS REIT puts itself up for sale
- Starwood European Real Estate Finance's Irish office portfolio impaired by 50%
- Empiric Student Property raises £56.1m for new acquisitions and refurb projects
- Bidding war heats up for Tritax EuroBox
- CEIBA Investments looks to restructure its 10% convertible bonds
- Residential Secure Income to wind down
- Home REIT finally publishes its 2022 annual results
- Ground Rents Income provides strategy update ahead of continuation vote
- PRS REIT reports impressive results as strategic review looms
- British Land raises £301m to part fund retail park acquisition
- Alternative Income REIT targets greater opportunities with change in investment policy

QuotedData views

- QuotedData's October 2024 budget day briefing
- NHS reform a tonic for primary care investors
- Investment company cost disclosures – job done(?)
- What's growth got to do with it?
- Lift off in China

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
7 June	GRID, ORIT, SONG	Olivia MacDonald	Majedie Investments
14 June	ANII, AEIT	Luciano Suana	Menhaden
21 June	HOME, NESF	Nick Greenwood, Peter Hewitt, Ben Ritchie	Quarterly panel – big discounts
28 June	ATST, WTAN, BNKR, JARA, HOME	Nick Train	Finsbury Growth & Income
5 July	EBOX, CGL, RGL, UKW	James Baker	The Investment Company
12 July	CHRY, SBO, GROW, EWI, OIT, SRE	Kenneth MacKenzie	Target Fund Managers
19 July	IPU, GSF	Chris Clothier	Capital Gearing
26 July	JGC, HMSO UTG	Henry Butt	AEW UK REIT
2 August	PSH, JFJ/JSGL, CRS	Peter Hewitt	Global Managed Portfolio Trust
9 August	FGT	Matt Cable	Rights and Issues
16 August	JLEN, DORE	Ian Lance	Temple Bar Investment Trust
23 August	DNA2, HEIT	Craig Baker	Alliance Trust
30 August	ATS, ORIT, PRSR, INOV	James Harris	STS Global Income & Growth Trust
6 September	PRSR, SEGRO/EBOX, BCPT, ATS/ARR, JARA, DGI9	Randall Sandstorm	Sequoia Economic Infrastructure Income Fund
13 September	AERI, GIF, KPC, JEMA	Jon Forster	Impax Environmental Markets
20 September	NRR/CAL, cost disclosures	David Bird, Neil Hermon, Georgina Brittain, Duncan Ball	Quarterly panel – new government, new opportunities
27 September	CHRY, DORE, API	Paul Niven	F&C Investment Trust
4 October	ROOF, KPC, RESI, TENT	Richard Brown	Castelnau Group
11 October	UIL, JFJ, JSGL, ALW	James Armstrong	Bluefield Solar Opportunities
18 October	HEIT, GABI	Katie Potts	Herald Investment Trust
25 October	ALW, JFJ, ATS, ARR, UKW	Helen Steers	Pantheon International
1 November	BPCR, RNEW	Job Curtis	City of London
8 November	JARA, WKOF, ROOF, HGEN, FGEN, SUPR	Ian 'Franco' Francis	CQS New City High Yield
Coming up			
15 November		Sebastian Lyon	Personal Assets Trust
22 November		Alex Crooke	Bankers Investment Trust

Research



Bluefield Solar Income Fund

Investment companies | Update | 21 October 2024

Compelling opportunity

Despite its resilient business model, record of high dividends, and deep development pipeline (with an extensive list of upcoming projects), investors have continued to overlook the Bluefield Solar Income Fund (BSIF). This appears to be related to the negative sentiment surrounding the renewable energy sector.

Positively, despite the troubles of the broader sector, we see a clear path for the company's **discount** to return to its historic **premium**. The new partnership with GLIL provides an avenue for the ongoing development of its impressive pipeline, while the recent sale of a 112MW portfolio of operating solar assets at **NAV** further highlights the irrational discount.

The improving economic outlook and falling interest rates provide another catalyst, as will the new government's recently announced plans to decarbonise the electricity system as part of the Clean Power 2030 mission. An manager James Armstrong commented, in his 10 years of experience in renewables, he has never seen such a positive regulatory outlook.

Given the ongoing execution of the list, and the efforts of the advisory team to ensure the long-term health of its portfolio, investors should remain confident that BSIF's futures will improve.

Focus on value accretive renewable investments

BSIF aims to pay shareholders an attractive return, principally in the form of regular sector-leading income distributions, by being invested primarily in solar energy assets located in the UK.

Sector	Real estate
Value	£507.1M
Base currency	GBP
Price	105.8p
NAV	126.2p
Premium/discount	(16.9%)
Yield	8.3%

One of the most reliable income options for investors in the UK

BSIF manager James Armstrong commented that in his 10 years of experience in renewables, he has never seen such a positive outlook

BSIF will also benefit from a structural shift in power prices over the next decade

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We believe that the revised bid of €8.30 per share for Lar España Real Estate, from a consortium that includes its manager Grupo Lar and US private equity firm Hines, still undervalues the company and its future prospects. The enterprise value implied by the bid price of €1,130M is a considerable discount to the value of the portfolio of €1,304M (at 30 June 2024) and a substantial spread to the portfolio yield (7.8% to 6.6%) and the prime market yields in the wider Spanish retail sector.

The company had commenced an asset recycling programme, which included selling properties where value-add opportunities had been exhausted, and was on the verge of buying shopping centre assets with significant value enhancing potential.



Lar España Real Estate

Real estate | Update | 28 October 2024

Undervalued by offer

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The company had commenced an asset recycling programme, which included selling properties where value-add opportunities had been exhausted, and was on the verge of buying shopping centre assets with significant value enhancing potential. These would have been both NAV and earnings accretive, adding to the company's impressive long-term total return record. We feel that the current offer price, which is an 18.8% discount to the most recent reported 2023 net tangible assets, does not do justice to a company of Lar España's standing and track record.

Exposure to Spanish retail

Lar España Real Estate aims to grow its EPRAs net tangible assets (NTA) through active asset management of Spanish commercial real estate, and deliver high returns primarily through the payment of considerable annual dividends.

Sector	Real estate
Value	€106.9M
Base currency	EUR
Price	€8.22
NAV	€10.22
Premium/discount	(18.6%)
Yield	8.6%

Offer at 18.6% discount to NAV undervalues the company and its prospects

Offer's implied yield for the portfolio out of line with market

Asset recycling programme had potential for further NAV and earnings growth

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European Opportunities Trust

Investment companies | Update | 22 October 2024

Geared to growth, built-in resilience

European Opportunities Trust (EOT), the most growth-focused of its peers, has posted decent absolute (positive) returns during the last couple of years but has been held back by its strong growth focus in an environment where inflation has been more stubborn than anticipated. The associated higher interest rates tend to impact growth stocks more heavily as they tend to have a larger proportion of their value discounted from some point in the future.

There are signs that this is now changing and, if the outlook for the economy deteriorates, EOT's focus on more resilient business-to-business (B2B) companies should be an additional benefit, particularly if previously robust consumer spending continues to show signs of faltering.

In the meantime, the manager has been taking advantage of negative sentiment towards Europe and periods of heightened uncertainty to add to the portfolio of attractive valuations. The board has been very active in buying back shares, enhancing the net asset value of the trust (NAV), but EOT's low double-digit discount also offers an opportunity.

Capital growth from 'special' European companies

The objective of the company is to achieve long-term capital growth by investing in a portfolio of securities of European companies and in sectors or geographical areas which are considered by the investment manager to offer good prospects for capital growth, considering economic trends and business development. The manager looks for 'special' companies – these are niche winners in their respective fields that can flourish in a range of economic conditions.

Sector	Europe
Value	£207.1M
Base currency	GBP
Price	83.3p
NAV	87.6p
Premium/discount	(12.7%)
Yield	6.2%

Strong potential for growth strategies such as EOT's to outperform again

AI is driving productivity gains

In a first in its history, EOT added defence stocks to the portfolio

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Temple Bar
Investment companies | Annual overview | 22 October 2024

Historic opportunity

Over the past three years, the Temple Bar Investment Trust (TMPL) has delivered a share price total return of 40%, comfortably outperforming both its benchmark index and the wider UK equity income peer group. Impressively, the company is also well ahead of high-flying US indices over this period, highlighting the attractions of investing in the UK, despite the economic challenges experienced over the last few years. These returns provide further vindication of the managers' strategy of investing in companies which trade at deep discounts to their intrinsic value. We believe there has arguably never been a better time to capitalise on these opportunities.

Despite the recent returns, the TMPL portfolio remains attractively priced at around 8x 2024 earnings, a 30% discount to the UK market and less than a third of current US multiples. There remains significant upside as economic conditions become more favourable and sentiment in the UK continues to improve.

UK equity income and capital growth

TMPL aims to provide growth in income and capital to achieve a long-term total return greater than its benchmark (the FTSE All-Share Index), through investment primarily in UK securities. The company's policy is to invest in a broad spread of securities, with the majority typically selected from the FTSE 350 Index.

Key Statistics:

Sector	UK equity income	TMPL LN
Base currency	GBP	
Price	288.5p	
NAV	281.5p	
Premium/discount	2.5%	
Yield	3.6%	

Key Insights:

- More than 50% of the UK's listed companies have bought back their own shares, the highest percentage of any market in the world.
- UK markets have quietly delivered a total return of over 30% in the last three years.
- Expectations GDP have more than doubled since the beginning of the year.

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Over the past three years, the Temple Bar Investment Trust (TMPL) has delivered a share price total return of 40%, comfortably outperforming both its benchmark index and the wider UK equity income peer group.

Impressively, the company is also well ahead of high-flying US indices over this period, highlighting the attractions of investing in the UK, despite the economic challenges experienced over the last few years. These returns provide further vindication of the managers' strategy of investing in companies which trade at deep discounts to their intrinsic value. We believe there has arguably never been a better time to capitalise on these opportunities.

Having delivered impressive returns through 2023, Japanese markets have continued to rise this year, although it has not been entirely smooth sailing for the world's third-largest economy. A tumbling currency and a 41-year high for inflation set the stage for successive interest rate hikes for the first time in almost two decades. The second of these sent ripples through the stock market, contributing to a historic sell-off for Japanese equities. The recent volatility has been particularly harrowing for yen-sensitive exporters (which benefit from a falling currency), which include some of Japan's largest companies. Positively, JPMorgan Japanese Investment Trust (JFJ) has very limited exposure to these sectors of the market, focusing instead on high-quality growth stocks that stand to benefit from the structural changes occurring across the economy.

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BY MARTEN & CO
INVESTOR

JPMorgan Japanese Investment Trust
Investment companies | Annual overview | 14 October 2024

Conviction drives returns

Having delivered impressive returns through 2023, Japanese markets have continued to rise this year, although it has not been entirely smooth sailing for the world's third-largest economy. A tumbling currency and a 41-year high for inflation set the stage for successive interest rate hikes for the first time in almost two decades. The second of these sent ripples through the stock market, contributing to a historic sell-off for Japanese equities. The recent volatility has been particularly harrowing for yen-sensitive exporters (which benefit from a falling currency), which include some of Japan's largest companies. Positively, JPMorgan Japanese Investment Trust (JFJ) has very limited exposure to these sectors of the market, focusing instead on high-quality growth stocks that stand to benefit from the structural changes occurring across the economy.

This strategy has led to a period of solid outperformance for JFJ's shares and has continued to deliver impressive fundamental results, with strong earnings and revenue growth witnessed across the portfolio. It remains early days in Japan's recovery, however, developments over the past year are increasingly encouraging and, for a newly-entrusted JFJ following the announced combination with Japan Small Cap Growth & Income, which is due to complete on 24 October 2024 subject to receipt of final approval from JGSI's shareholders, should provide the foundation for a period of long-term growth.

Capital growth from Japanese equities

JFJ aims to produce capital growth from a portfolio of Japanese equities and can use borrowing to gear the portfolio within the range of 0% net cash to 20% geared in normal market conditions.

Key Statistics:

Sector	Japan	JFJ LN
Base currency	JPY	
Price	587.5p	
NAV	581.5p	
Premium/discount	1.0%	
Yield	1.2%	

Key Insights:

- Over the past year, JFJ has outperformed its peer group by a wide margin.
- Corporate earnings in Japan have continued to accelerate.
- Over the last 12 months, dividends have grown at their fastest pace in over 20 years.

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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:

- UIL AGM 2024
- Custodian Property Income REIT shareholder presentation 2024
- JPMorgan Asia Growth & Income EGM 2024
- abrdn Asia Focus shareholder presentation 2024
- Partners Group Private Equity shareholder presentation 2024
- abrdn UK Smaller Companies Growth EGM 2024
- CQS New City High Yield Fund shareholder presentation 2024
- Schroder BSC Social Impact EGM 2024
- JPMorgan Global Emerging Markets Income AGM 2024
- JPEL Private Equity AGM 2024
- Warehouse REIT shareholder presentation 2024
- European Opportunities Trust AGM 2024
- JPMorgan Global Growth & Income AGM 2024
- Pacific Horizon Investment Trust AGM 2024
- Fidelity Asian Values AGM 2024
- Invesco Global Equity Income Trust AGM 2024
- Polar Capital Global Healthcare shareholder presentation 2024
- Capital Gearing Trust shareholder presentation 2024
- Mello 10th Anniversary – Derby Conference
- Biotech Growth Trust shareholder presentation 2024
- HICL Infrastructure shareholder presentation 2024
- Rockwood Strategic shareholder presentation 2024
- Tritax Eurobox EGM 2024
- NextEnergy Solar Fund shareholder presentation 2024
- Artemis Alpha Trust EGM 2024
- Polar Capital Global Financials shareholder presentation 2024
- Polar Capital Technology shareholder presentation 2024
- Foresight Environmental Infrastructure shareholder presentation 2024
- Seraphim Space Investment Trust shareholder presentation 2024
- JPMorgan UK Small Cap Growth & Income AGM 2024
- European smaller companies AGM 2024
- Schroder Real Estate shareholder presentation 2024
- Seraphim Space Investment Trust AGM 2024
- DP Aircraft I AGM 2024

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 if you would like it emailed to you directly.



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 30/09/24 (%)	Discount 31/10/24 (%)	Change in discount (%)	Median mkt cap 31/10/24 (£m)
1	Leasing	24.4	12.6	(32.4)	(32.4)	(0.0)	157.1
2	Debt - structured finance	22.2	7.6	(19.5)	(21.0)	(7.4)	162.8
3	Technology & technology innovation	19.8	23.1	(11.5)	(12.0)	(4.3)	2,461.8
4	North America	17.1	14.0	(11.9)	(11.2)	(5.4)	434.0
5	Asia Pacific Equity Income	12.2	12.5	(11.1)	(10.7)	(3.3)	336.1
6	Debt - loans and bonds	11.2	8.6	(1.8)	(0.4)	(119.7)	213.0
7	Environmental	9.6	4.1	(20.0)	(12.2)	(39.2)	286.6
8	Global Equity Income	9.4	8.0	(8.9)	(10.3)	(15.0)	401.0
9	Hedge funds	9.2	3.2	(12.0)	(9.1)	(23.8)	197.6
10	UK All Companies	9.2	9.3	(10.7)	(10.3)	(4.4)	110.7
11	Asia Pacific	9.2	12.1	(12.4)	(14.3)	15.2	269.9
12	China / Greater China	9.2	14.3	(13.1)	(13.2)	0.6	108.2
13	Global	8.9	8.8	(9.0)	(10.1)	11.9	539.0
14	Japanese smaller companies	8.8	10.9	(8.5)	(6.9)	(18.4)	490.7
15	Global emerging markets	8.3	10.2	(11.6)	(13.9)	19.8	470.3
16	Growth capital	8.2	0.0	(38.2)	(39.6)	3.5	435.5
17	UK smaller companies	8.2	7.8	(11.6)	(11.2)	(2.7)	359.7
18	UK Equity & Bond Income	7.7	7.8	(7.8)	(9.0)	14.9	137.8
19	Asia Pacific smaller companies	7.5	12.4	(15.2)	(15.0)	(1.1)	1,021.1
20	Biotechnology & Healthcare	7.5	5.9	(9.7)	(11.3)	17.2	86.7
21	Debt - Direct Lending	7.4	2.5	(15.9)	(17.7)	11.6	331.2
22	India/Indian Subcontinent	7.4	16.0	(13.5)	(16.4)	21.0	354.1
23	Insurance & Reinsurance Strategies	7.4	49.9	(30.3)	(31.2)	2.7	292.8
24	UK equity income	7.1	8.3	(6.9)	(8.1)	17.6	116.7
25	Commodities and natural resources	6.9	0.3	(16.8)	(18.9)	12.2	217.0
26	Property - UK Healthcare	6.5	8.2	(22.2)	(24.6)	10.9	406.5
27	Financials & Financial Innovation	6.3	12.5	(5.9)	(23.8)	302.9	570.4
28	European smaller companies	5.9	2.2	(10.8)	(11.1)	3.2	62.4
29	Property - Europe	5.9	(8.7)	(33.2)	(32.8)	(1.4)	790.1
30	Infrastructure securities	5.0	0.4	(13.8)	(10.5)	(23.6)	90.8
31	North American smaller companies	4.1	5.4	(10.3)	(10.8)	4.3	520.4
32	Japan	3.9	8.8	(12.3)	(15.3)	23.7	80.4
33	Flexible investment	3.2	4.9	(17.1)	(24.8)	44.7	32.9

YTD Rank		Share price total return YTD (%)	NAV total return YTD (%)	Discount 30/09/2024 (%)	Discount 31/10/24 (%)	Change in discount (%)	Median mkt cap 31/10/24 (£m)
34	Country specialist	2.4	8.0	(13.1)	(12.5)	(4.5)	220.4
35	Property - UK Commercial	1.7	0.0	(16.7)	(18.5)	10.5	127.3
36	Property - UK Residential	1.3	(4.1)	(57.1)	(40.8)	(28.5)	251.4
37	Property - Debt	1.0	1.6	(27.9)	(23.8)	(14.6)	205.0
38	Global smaller companies	0.3	6.1	(11.4)	(11.5)	1.6	469.0
39	Europe	(0.6)	1.5	(10.1)	(11.2)	10.3	595.6
40	Infrastructure	(0.7)	5.3	(15.7)	(19.7)	25.7	46.4
41	Private equity	(1.1)	0.1	(34.4)	(34.8)	1.0	936.2
42	Property - UK Logistics	(4.1)	3.5	(21.3)	(26.8)	26.1	178.2
43	Renewable energy infrastructure	(9.4)	(0.2)	(27.3)	(27.0)	(0.9)	299.6
44	Property - Rest of World	(21.0)	(17.8)	(66.4)	(68.1)	2.5	20.7
45	Latin America	(26.2)	(24.2)	(12.7)	(13.8)	8.6	96.0
	MEDIAN	7.4	7.6	(13.1)	(13.9)	3.5	276.2

Source: Morningstar, Marten & Co.



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