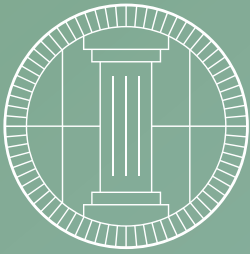


# The Edinburgh Investment Trust plc

HALF-YEARLY FINANCIAL REPORT  
SIX MONTHS TO 30 SEPTEMBER 2020





# The Edinburgh Investment Trust plc

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If you wish to contact members of the Edinburgh Investment Trust Board then please get in touch with the Company Secretary on +44 (0)20 7653 9690. If you have any enquiries for the Investment Manager, please contact them on +44 (0)20 8126 0088.

[www.edinburghinvestmenttrust.com](http://www.edinburghinvestmenttrust.com)

The Company is a  
member of

**aic**

The Association of  
Investment Companies

# £899m

Net assets

# 443.0p

Share price

# (13.6)%

Discount\*

# 12.4%

Gearing (net)\*

\* Alternative Performance Measures

## Investment Objective

The Edinburgh Investment Trust plc ('the Company') is an investment trust whose investment objective is to invest primarily in UK securities with the long term objective of achieving:

1. an increase of the Net Asset Value per share in excess of the growth in the FTSE All-Share Index; and
2. growth in dividends per share in excess of the rate of UK inflation.

The Company will generally invest in companies quoted on a recognised stock exchange in the UK. The Company may also invest up to 20% of the portfolio in securities listed on stock exchanges outside the UK. The portfolio is selected on the basis of assessment of fundamental value of individual securities and is not structured on the basis of industry weightings.

## Nature of the Company

The Company is a public listed Investment Company whose shares are traded on the London Stock Exchange. The business of the Company consists of investing the pooled funds of its shareholders, according to a specified investment objective and policy (set out on page 14 of the Company's 2020 annual financial report), with the aim of spreading investment risk and generating a return for shareholders.

The Company uses borrowing to enhance returns to shareholders. This increases the risk to shareholders should the value of investments fall.

The Company has contracted with an external investment manager, Majedie Asset Management Limited (the 'Manager'), to manage its investments. Other administrative functions are contracted to other external service providers. The Company has a Board of non-executive Directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment objective and policy is adhered to. The Company has no employees.

**The Company's ordinary shares and debenture qualify to be considered as mainstream investment products suitable for promotion to retail investors. The Company's ordinary shares are eligible for investment in an ISA.**



# Strategic Report



# Financial Information and Performance Statistics

	Six Months to 30 September 2020 % change
<b>Total Return<sup>(1)(2)(3)</sup> (with dividends reinvested)</b>	
Net asset value (NAV) – debt at market value	+7.8
Share price	+5.7
FTSE All-Share Index	+7.0

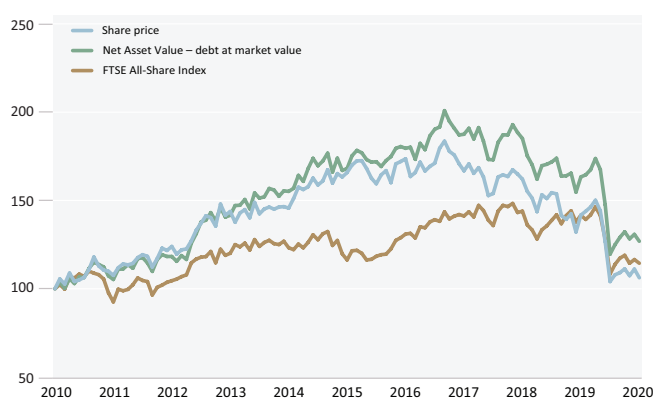
The Company's benchmark is the FTSE All-Share Index.

	At 30 September 2020	At 31 March 2020	Change %
<b>Capital Return<sup>(2)</sup></b>			
Net asset value – debt at market value	512.83p	490.40p	+4.6
Share price <sup>(1)</sup>	443.0p	434.0p	+2.1
FTSE All-Share Index <sup>(1)</sup>	3,282.25	3,107.42	+5.6
<b>Discount<sup>(2)(3)</sup> – debt at market value</b>	(13.6)%	(11.5)%	
<b>Gearing (debt at market value)<sup>(2)(3)</sup> – gross gearing</b>	12.7%	13.4%	
– net gearing	12.4%	8.3%	
<b>Retail Price Index<sup>(1)</sup> – annual change</b>	1.1%	2.6%	

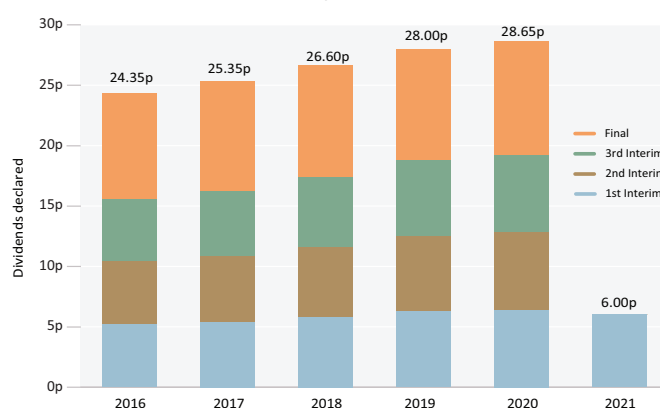
	2020	2019	Change %
<b>Six months to 30 September Revenue Return</b>			
Revenue return per ordinary share	9.9p	17.2p	-42.4
First interim dividend <sup>(4)</sup>	6.00p	6.40p	-6.3

## Capital Returns (excluding dividends paid) Over Ten Years

Rebased to 100 as at 30 September 2010



## Recent Dividend History



### Notes:

<sup>(1)</sup> Source: Refinitiv.

<sup>(2)</sup> These terms are defined in the Alternative Performance Measures, including reconciliations, on pages 23 to 25. NAV with debt at market value is widely used by the investment company sector for the reporting of performance, premium or discount and gearing. Further details are provided in the Alternative Performance Measures on pages 77 to 79 of the Company's 2020 annual financial report.

<sup>(3)</sup> Key Performance Indicator.

<sup>(4)</sup> Dividends declared in respect of the financial year.

# Chairman's Statement



GLEN SUAREZ / CHAIRMAN

## DEAR SHAREHOLDER

I am pleased to report an encouraging start to the management of your Company by the new portfolio manager, James de Uphaugh, and his colleagues at Majedie.

## INTRODUCTION

The six month period covered by this report has been one in which lives have been affected by the COVID-19 pandemic. Despite the many difficulties faced by individuals, businesses and governments, equity markets have produced a positive return compared with the position at the time of the Company's year-end in March. This is welcome after the previous sharp falls in value. At the time of writing, markets are again exhibiting a higher level of volatility, reflecting the decision of some western governments to place economies in various degrees of lockdown to suppress the second wave of COVID-19 pandemic.

## NEW MANAGER

I would like to take this opportunity to remind you why my fellow Directors and I appointed James and his colleagues. We felt the Company would benefit from their pragmatic style and deep understanding of the

UK equity market. Working closely with an established team of fund managers and analysts, James brings to our Company a flexible, total return approach to managing the portfolio. James invests in both 'growth' and 'income' businesses. He can also allocate up to 20% of assets to non-UK listed businesses.

## PERFORMANCE

The Board maintains a medium-term perspective and believes that manager skill should be assessed over a minimum period of three years. Majedie maintains a similar time horizon when assessing businesses. We are confident that this approach will enable us to rebuild the Company's investment track record.

It is therefore encouraging to note that over the first six months of Majedie's tenure the Company's Net Asset Value (NAV) is ahead of the benchmark in terms of total return. While this is plainly a short period, it is good to have made a positive start.

### Total Returns (with dividends reinvested) to 30 September 2020

	6 mths	1yr	2yr	3yr	5yr	10yr
NAV (debt at market value) (%)	7.8	-19.1	-25.1	-23.5	-8.4	90.1
Share Price (%)	5.7	-20.8	-27.5	-26.8	-21.0	62.1
FTSE All-Share Index (%)	7.0	-16.6	-14.4	-9.3	18.6	63.9

Source: Refinitiv.

### Capital Returns (excluding dividends paid) to 30 September 2020

	6 mths	1yr	2yr	3yr	5yr	10yr
NAV (debt at market value) (%)	4.6	-22.9	-31.5	-32.5	-24.6	26.0
Share Price (%)	2.1	-25.0	-34.5	-36.3	-35.9	6.2
FTSE All-Share Index (%)	5.6	-19.2	-20.5	-19.0	-1.6	14.5

Source: Refinitiv.

Note: Majedie received portfolio from the transition managers from 27 March 2020

The Manager describes the performance drivers in more detail in his report. From the Board's perspective, we are pleased to see attractive total returns coming from the many different types of stock held in the portfolio. This reflects the well-diversified nature of the Company's assets.

Over the past three years, NAV total return has been -23.5% cumulatively, with the Company's benchmark index returning -9.3% over the same period. Over the past five years, NAV total return has been -8.4% cumulatively, with the Company's benchmark index returning 18.6% over the same period. In all these cases, the NAV is stated after deducting debt at market values.

### SHAREHOLDER COMMUNICATIONS

My fellow Directors and I are extremely conscious that we have not had the opportunity to meet shareholders face-to-face since the onset of the pandemic in March. Alas it does not look as if this situation will change soon. However, we recommend to you the Company's website as a means of keeping up to speed on developments. The site contains a range of materials on Majedie's management of the portfolio and on their investment views. Shareholders may sign up on the website to receive announcements by email. We recorded a video (which is still available on the website) to coincide with the Annual General Meeting in July, and we have today posted another video update from James de Uphaugh to the website to accompany these results. I hope that we can return to some form of in person communications before too long. In the interim, I welcome all comments and questions from shareholders.

### DIVIDENDS

Shareholders may have read the update on the Board's dividend decision, which we published earlier this month on 3 November. We are pleased to be able to maintain the overall dividend for this financial year at the same level as last year. The Board recognises the importance of dividends to shareholders, especially in an uncertain environment and at a time when other sources of income are under pressure. We have been able to maintain the dividend by drawing on the Company's substantial revenue reserves. These have made up the shortfall in the Company's earnings, which has arisen because of the substantial dividend reductions across the UK market in which we invest.

While we are keeping the total dividend per share unchanged for the current financial year, we are also re-setting the dividend for future years to a level that is more sustainable and offers the potential for future dividend progression.

Even before the current economic crisis, the overall yield on the UK market had become increasingly dependent on a small number of businesses and sectors. The effect of the crisis caused by the COVID-19 pandemic, and ongoing structural changes to the economy, has been to further erode the income available from the UK equity market. While there remain elevated levels of uncertainty over the speed at which market earnings and dividends will recover,

the Board concluded that the previous level of dividends is unlikely to be sustainable. The Board has therefore re-set the annual ordinary dividends to 24.0 pence per share, a level from which we believe it can grow progressively in future years.

### GEARING

As the Manager notes in his statement, he is encouraged by the resilience of the businesses in the portfolio and their medium-term prospects. As such, he has modestly increased the level of financial gearing in the portfolio. He is managing a fully invested portfolio: gross gearing on 30 September was 12.7%. With only a modest cash position, the net gearing position was 12.4%. These two numbers compare with 13.4% and 8.3% respectively at the end of March. The Company's gearing is entirely a function of the debenture borrowings. The manager also has access to a bank facility of up to £50 million, although this is currently undrawn.

### BUYBACKS AND DISCOUNT

The Company's shares traded at an average discount of 12.5% to NAV over the period. The UK equity income sector, in which your Company sits, has been out of favour in part because of the dividend cuts instigated by a wide range of businesses this year. The discount of the sector as a whole has widened, and your Company has not been exempt from this trend. To help offset this, we continued to buy back shares. Over this period we bought back 1,841,000 shares (1.07% of the Company) which will be held in Treasury and be available for issuance at a premium in the future. With greater clarity now in place with the new dividend policy, we are encouraged that the discount has narrowed since the end of September. As at 17 November 2020, the last available date before signing this statement, the discount stood at 10.6%.

### OUTLOOK

The portfolio contains a diversified range of businesses, both UK and non-UK listed, that are performing well operationally despite the evident short-term economic uncertainty arising from the COVID-19 pandemic. The holdings in the portfolio are also attractively valued. The last fortnight's news on COVID-19 vaccine developments is plainly helpful and has boosted equity markets. A Brexit trade deal with the EU would also generate greater international interest in the UK stock market. Combined, all these features leave your Company well placed to generate attractive medium-term returns.

**GLEN SUAREZ** / CHAIRMAN / 19 NOVEMBER 2020

# Portfolio Manager's Report

For the period ended 30 September 2020



**JAMES DE UPHAUGH /**  
PORTFOLIO MANAGER



**CHRIS FIELD /**  
DEPUTY PORTFOLIO MANAGER

## INTRODUCTION

We are pleased to introduce our first interim Manager's report. This reviews our first six months as Manager of your Company.

## HOW WE MANAGE YOUR COMPANY

We manage the Company's assets with a stock-driven, 'total return' approach. To do this, we have a flexible, open-minded investment mindset when assessing potential investments. For example, the income paid by companies is an important factor, as is their potential for future growth. Although we commit to holding at least 80% of the value of the Company in UK-listed businesses, many of these are in practice international businesses. For the balance of the portfolio, we take our pick of the best available opportunities overseas. We take a medium-term time horizon, which means analysing corporate prospects in years, not months. All assets in the portfolio are listed except for the legacy holding in Eurovestech.

Most of our research and analysis is of companies and their prospects. We are naturally alert to the changing macroeconomic backdrop – more now than ever. However, our edge lies primarily in understanding corporate dynamics. Our work takes into careful account the relevant Environmental, Social and Governance ("ESG") factors that affect businesses. Since taking on the management of your Company, my colleagues and I have maintained an intense level of company meetings. At the height of the COVID-19 pandemic in the spring, we focused on liquidity and balance sheet strength. Since then, we have prioritised the identification of companies that can emerge from the crisis with stronger competitive positions. Our work has enabled us to build a picture of companies' likely resilience in different scenarios.

In short, we have constructed a diversified portfolio that should underpin attractive equity returns by global standards. We have used this period to ensure that the portfolio is full of resilient businesses, able to withstand whatever events they may face.

## PERFORMANCE

While it is still early days, it is encouraging to have got off to a positive start. The NAV (on a total returns with dividends reinvested basis) per share over the six months under review has risen by 7.8%. This compares with a rise in the Company's benchmark, the FTSE All-Share Index, of 7.0%.

In keeping with the diversified nature of the portfolio, we are pleased that returns have come from a range of different businesses from across the portfolio. The financial gearing of the portfolio, via the debenture, also made a modest positive contribution. Prominent positive stock contributions came from Dunelm (a success story in the UK retailer sphere – its share price has almost doubled over the period), Ashtead (the equipment rental business with significant exposure to the US economy) and Weir, the industrial group. Weir supplies a variety of services into the mining industry: its products help this famously energy intensive sector to operate more efficiently and therefore more sustainably. The portfolio also owns commodities businesses including the gold miners Barrick Gold and Newmont, and Anglo American. These three also made positive contributions.

Mondi, the paper and packaging company, reported resilient results as it experienced strong demand from consumer goods and e-commerce companies. This is another company with a nice 'sustainability' angle to the investment case: it is working closely with its customers to help them present products in recyclable packaging, rather than single use plastic. It also reinstated dividend payments, having suspended them in the teeth of the downturn earlier this year.

The businesses at the bottom of the performance table were, counterintuitively, ones that performed well operationally through the period. Tesco was the largest negative contributor, despite reporting strong results during the period, behaving responsibly during the lockdown by prioritising



customers, suppliers and staff over profits, which in turn helped it entrench its leading position in the market. It remains on track to return proceeds to shareholders from the planned disposal of its operations in Thailand. We remain happy holders of Tesco. The same remains the case for BAE Systems, which is successfully working through its order book. It also announced the resumption of dividend payments.

### WHAT HAVE WE BEEN DOING AGAINST THIS BACKDROP?

The biggest change has been to sell out of HSBC. It faces both an uncertain business environment in Hong Kong as well as the city's disproportionate exposure to broader geopolitical pressures. HSBC also has the same economic pressures that other banks have faced, as well as the instruction by the UK regulator to halt dividend payments. Some of the proceeds have been reinvested in Standard Chartered, which we believe is better placed to navigate the lending opportunities in Asia.

In the pharmaceutical sector, we have built up a position in Roche. It offers a strong pipeline in oncology, a high-quality diagnostics business, and should have a large net cash position by the end of the year. It also has a 3% dividend yield. We have sold GlaxoSmithKline.

We have built up the holding in alcoholic beverages group Diageo. It owns a wide range of industry-leading brands including Guinness, Smirnoff and Johnnie Walker. Diageo successfully capitalises on the high barriers to entry and strong pricing power of its brands. Demand for these brands (perhaps unsurprisingly) has shown no sign of slowing through the COVID-19 pandemic. However, the mix has changed: less sold through licensed premises such as bars, more via supermarkets and off-licences. The hiatus in the licensed trade has, in our view, temporarily knocked earnings. This has in turn created a buying opportunity in this quality business that should in normal times grow its top line by 5-6% per annum. The Diageo purchase is also part of a gentle strategy to begin to buy some high-quality medium-term reopening plays. It has the balance sheet to enable it to manage the current period of economic uncertainty and to be in a stronger position when reopening begins. The purchase of Compass – the catering contractor – also fits this narrative.

Our third largest purchase was RELX, the information, data analytics and professional publisher. The company has been on our radar for some years and has an excellent track record of generating returns for shareholders. The stock has lagged its peers on concern about the potential impact of tightening academic library budgets on the group's scientific, medical & technical division, which includes a range of flagship academic journals. The impact of lockdowns on its exhibitions (i.e. events) business has also weighed on the share price. We think the risk around library budgets is overdone given the fragmented nature of the group's 14,000 clients and the long-term structural growth trends in academic research, which has seen an enormous uptick in

volume. RELX's data analytics businesses is valuable, and the stock appears attractively priced especially as quoted peers have seen a significant re-rating.

In addition to the sales mentioned above, other significant reductions included Orange, the French telecoms group, and – after periods of share price strength – Anglo American and Barrick Gold.

### DIVIDEND

We are pleased that the Company has been able to support shareholders with an unchanged total dividend in the current financial year. The Company's strong revenue reserves are a competitive advantage and the Board expects to maintain appropriate levels to provide for future unforeseen circumstances.

As we wrote in the annual report in July, the UK market has seen substantial dividend cuts. These have come from across the board, but much focus has understandably been on cuts from the oil majors (reflecting the structural change in this industry, as well as COVID-19 pandemic-induced declines in oil consumption) and from the banks (instructed to cut by the Bank of England to preserve balance sheet strength to handle the pandemic).

While we have maintained a well-diversified portfolio through the period and have reduced exposure to the oil sector and banks, your Company's revenues per share have fallen by 42% compared with the same period last year. We expect a recovery in earnings from this base level and are already seeing this through some companies announcing dividend increases (e.g. Unilever, Barrick Gold) and others reinstating dividends (e.g. Direct Line Insurance, Mondli).

We therefore support the decision of the Board to rebase the underlying dividend to 24.0p. We are confident that this is a sensible base from which it can grow in the years ahead.

### OUTLOOK

*"... we now expect [UK] GDP to be around 3-4% below its pre-Covid level by the end of the third quarter. In other words, the economy has already recovered just under 90% of its earlier losses. Having fallen precipitously by 20% in the second quarter, we expect UK GDP to have risen by a vertiginous 20% in the third quarter – by some margin its largest-ever rise. Put differently, since May UK GDP has been rising, on average, by around 1.5% per week."*

Bank England Chief Economist, Andy Haldane: Avoiding Economic Anxiety, published 30.09.20<sup>1</sup>

Our investment research is balancing the optimism expressed above by Andy Haldane, with the ever-present threat of deteriorating economic conditions while the COVID-19 pandemic maintains its grip. We are firmly maintaining a medium-term view. As such, and despite the major risks to economies from the second wave that is now underway, we err on the side of optimism. We are expressing this through a fully invested portfolio

<sup>1</sup> <https://www.bankofengland.co.uk/-/media/boe/files/speech/2020/avoiding-economic-anxiety-speech-by-andy-haldane.pdf?la=en&hash=F7DEEDE6AF9DC92AF8C893E2E428D2498D6FE5BA>

## Portfolio Manager's Report / continued

and utilising the natural gearing that comes from the Company's debenture. We believe the companies in the portfolio remain well placed to deal with the current uncertainty.

Despite the deteriorating COVID-19 pandemic health situation across many economies in October and early November, we remain of the view that progress is being made against the pandemic:

- As the virus has become better understood, healthcare has improved for those in need of medical intervention – and there is also the welcome development of lower fatality rates.
- Progress on vaccine development has exceeded even the most optimistic predictions of six months ago. To add to the extremely positive interim data announced in the last fortnight for the Pfizer and the Moderna vaccines, a number of others are now in advanced 'phase three' trials around the world. Large scale roll-outs of approved vaccines are likely in the first half of 2021, allowing a big release of pent up demand as economies reopen.

The portfolio remains an all-weather one. We retain a defensive hue through companies with higher, more durable returns such as Unilever, AstraZeneca and Roche. While growth across economies as a whole remains scarce, we have refined and expanded our own growth cohort, having taken advantage of the market dislocation and mispricing opportunities since March. Prominent growth names in the portfolio now include 3i (we are particularly excited about the potential of Action, its continental European discount chain) and NXP Semiconductors. We believe the portfolio has multiple drivers to underpin future returns, including growth driven by intellectual property (e.g. AstraZeneca, Qinetiq Group), environmental solutions (Polypipe, Mondi and Weir) and Darwinian winners (Marshalls and Bellway).

As these examples illustrate, we are investing in a differentiated and diversified blend of the best of UK and overseas businesses. Many are global franchises with multiples angles to each investment case.

UK equities have laboured under a Brexit cloud for many months, resulting in a significant valuation discount. A trade deal with the EU is now seemingly more likely, which would bring greater resolution to the whole Brexit process. There is thus scope for this UK valuation discount to narrow, in turn supporting UK equity returns relative to overseas equities. UK equities are also unfairly perceived to be exposed to relatively staid stocks, such as high street banks and oil producers. The reality – as we trust we have already illustrated above- is that the UK market offers globally competitive businesses at compelling valuations. The Company thus offers shareholders a combination of attractively valued, world class equities. If the UK market does not offer the best in class opportunities in a particular sector, we invest overseas. We are optimistic that the current portfolio, combined with the modest gearing also employed, should underpin attractive total returns – income and capital – to shareholders in the years ahead.

**JAMES DE UPHAUGH** / PORTFOLIO MANAGER

**CHRIS FIELD** / DEPUTY PORTFOLIO MANAGER

19 NOVEMBER 2020



# Principal Risks and Uncertainties

A detailed explanation of the principal risks and uncertainties facing the Company can be found on pages 18 to 20 of the 2020 annual financial report, which is available on the Company's website at [www.edinburghinvestmenttrust.com](http://www.edinburghinvestmenttrust.com).

Since the publication of the 2020 annual financial report and as detailed above, the COVID-19 pandemic continues to be a serious threat to most parts of the global economy and the Board has continued to monitor the situation closely and has been in regular contact with the Manager and the Company's other service providers in order to assess and mitigate the impact on the Company's investment objectives, investment portfolio and shareholders. Otherwise, in the view of the Board, these principal risks and uncertainties are substantially unchanged from the previous year end and are as much applicable to the remaining six months of the financial year, as they were to the six months under review.

The principal risk factors relating to the Company can be summarised as follows:

- **Market Risk** – a fall in the stock market as a whole will affect the performance of the portfolio, as well as the performance of individual portfolio investments; it also includes interest rate and currency risks; market risk may be impacted by increased volatility during the period of uncertainty arising from the Brexit negotiations;
- **Investment Performance Risk** – this is the stock specific risk that the stock selection process may not achieve the Company's published objectives;
- **Borrowing Risk** – in addition to the debenture in issue, the Company may also borrow money for investment purposes. If the investments fall in value, the gearing will have an adverse impact on performance. If the borrowing facility could not be renewed, the Company might have to sell investments to repay this;
- **Income/Dividend Risk** – investment income may fail to reach the level required to meet the Company's income objective;
- **Share Price Risk** – the Company's prospects and NAV may not be fully reflected in the share price;
- **Corporate Governance and Internal Controls Risk** – the Board has delegated to third party service providers the management of the investment portfolio, depositary and custody services, registration services and accounting and company secretarial services and therefore relies on the service providers to manage the associated risks;
- **Reliance on Manager and other Third Party Providers Risk** – the Company has no employees, so is reliant upon the performance of third party service providers for it to function, particularly the Manager, depositary, custodian and registrar;
- **Emerging Risks** – the Company may be affected by emerging risks such as climate change and pandemics such as the COVID-19 pandemic. Whilst these risks currently exist, the extent of them is yet to fully emerge. They are regularly assessed by the Manager and the Board.
- **Other Risks** – the Company may be affected by other risks such as business, cyber security, strategic, policy and political risks such as Brexit, as well as regulatory risks (such as an adverse change in the tax treatment of investment companies) and the perceived impact of the Manager ceasing to be involved with the Company.

# Investments in Order of Valuation

As at 30 September 2020

## UK LISTED ORDINARY SHARES UNLESS OTHERWISE STATED

Investment	Sector	Value £'000	% of Portfolio
Unilever	Food Producers	59,804	6.0
AstraZeneca	Pharmaceuticals & Biotechnology	58,058	5.8
Tesco	Food & Drug Retailers	43,803	4.4
Smith & Nephew	Health Care Equipment & Services	38,581	3.9
Mondi	Forestry & Paper	38,431	3.9
Anglo American	Mining	38,315	3.9
BAE Systems	Aerospace & Defence	36,688	3.7
Ashtead Group	Support Services	35,767	3.6
Royal Dutch Shell - A Shares	Oil & Gas Producers	21,492	
- B Shares		13,625	
		35,117	3.5
Legal & General	Life Insurance	29,966	3.0
<b>TOP TEN HOLDINGS</b>		<b>414,530</b>	<b>41.7</b>
Direct Line Insurance	Non-Life Insurance	29,209	2.9
Rio Tinto	Mining	29,021	2.9
Hays	Support Services	28,980	2.9
Associated British Foods	Food Producers	28,861	2.9
Dunelm	General Retailers	26,839	2.7
Weir	Industrial Engineering	24,724	2.5
Electrocomponents	Support Services	24,657	2.5
Diageo	Beverages	21,445	2.2
BP	Oil & Gas Producers	21,444	2.2
Newmont - US Listed	Mining	20,944	2.1
<b>TOP TWENTY HOLDINGS</b>		<b>670,654</b>	<b>67.5</b>
NatWest	Banks	18,577	1.9
Wm Morrison Supermarkets	Food & Drug Retailers	17,809	1.8
Barrick Gold - US Listed	Mining	17,295	1.7
Standard Chartered	Banks	17,030	1.7
Koninklijke KPN - Dutch Listed	Fixed Line Telecommunications	16,616	1.7
Vodafone	Mobile Telecommunications	16,441	1.6
Lloyds Bank	Banks	16,087	1.6
Marshalls	Construction & Materials	14,705	1.5
Bellway	Household Goods & Home Construction	14,488	1.5
Barclays	Banks	14,395	1.4
<b>TOP THIRTY HOLDINGS</b>		<b>834,097</b>	<b>83.9</b>
Qinetiq Group	Aerospace & Defence	12,611	1.3
WPP	Media	12,403	1.3
Roche - Swiss Listed	Pharmaceuticals & Biotechnology	12,350	1.2
RELX	Media	11,877	1.2
NXP Semiconductors - Dutch Listed	Technology Hardware & Equipment	11,350	1.1
3i	Financial Services	11,260	1.1
Daily Mail & General Trust	Media	11,243	1.1
Reckitt Benckiser	Household Goods & Home Construction	10,441	1.1
Convatec	Health Care Equipment & Services	9,850	1.0
Hargreaves Lansdown	Financial Services	9,578	1.0
<b>TOP FORTY HOLDINGS</b>		<b>947,060</b>	<b>95.3</b>

## INVESTMENTS IN ORDER OF VALUATION (CONTINUED)

Investment	Sector	Value £'000	% of Portfolio
Serco	Support Services	9,538	1.0
Polypipe	Construction & Materials	8,985	0.9
Compass	Food-Catering	8,267	0.8
Greggs	Food & Drug Retailers	6,464	0.6
CLS	Real Estate Investment & Services	6,150	0.6
Marks & Spencer	General Retailers	4,599	0.5
Raven Property - Preference shares	Real Estate Investment & Services	2,844	0.3
Eurovestech <sup>UQ</sup>	Financial Services	154	-
<b>TOTAL HOLDINGS 48 (31 MARCH 2020: 44)</b>		<b>994,061</b>	<b>100.0</b>

<sup>UQ</sup> Unquoted investment.

# Governance



# Going Concern, Related Party Transactions and Statement of Directors' Responsibilities

in respect of the preparation of the half-yearly financial report

## GOING CONCERN

These financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months after the date of approval of these half-yearly financial statements. In considering this, the Directors have reviewed the Company's investment objective and capital structure generally and also in light of the COVID-19 pandemic. The Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all its liabilities and ongoing expenses from its assets and revenue. The Directors also considered the revenue forecasts for the forthcoming year and future dividend payments and accumulated revenue reserves in concluding that the going concern basis is appropriate.

## RELATED PARTY TRANSACTIONS

Under UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) and in accordance with the definition provided by Listing Rule 11.1.4, the Company has identified the Directors as related parties. No other related parties have been identified. No transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with the FRS 104 Interim Financial Reporting; and
- the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules (DTR):
  - (a) DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

The half-yearly financial report has not been audited or reviewed by the Company's auditor.

Signed on behalf of the Board of Directors

**GLEN SUAREZ** / CHAIRMAN / 19 NOVEMBER 2020

# Financial Review





## Condensed Income Statement

	Six Months To 30 September 2020 (Unaudited)			Six Months To 30 September 2019 (Unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value	-	49,309	49,309	-	(81,584)	(81,584)
(Losses)/gains on foreign exchange	-	(58)	(58)	-	5	5
Income - note 2	19,547	-	19,547	36,568	590	37,158
	19,547	49,251	68,798	36,568	(80,989)	(44,421)
Investment management fee - note 3	(380)	(886)	(1,266)	(938)	(2,188)	(3,126)
Other expenses	(435)	(6)	(441)	(569)	-	(569)
<b>Return/(loss) before finance costs and taxation</b>	<b>18,732</b>	<b>48,359</b>	<b>67,091</b>	<b>35,061</b>	<b>(83,177)</b>	<b>(48,116)</b>
Finance costs - note 3	(1,233)	(2,879)	(4,112)	(1,255)	(2,931)	(4,186)
<b>Return/(loss) on ordinary activities before taxation</b>	<b>17,499</b>	<b>45,480</b>	<b>62,979</b>	<b>33,806</b>	<b>(86,108)</b>	<b>(52,302)</b>
Taxation - note 4	(260)	-	(260)	(630)	-	(630)
<b>Return/(loss) on ordinary activities after taxation for the financial period</b>	<b>17,239</b>	<b>45,480</b>	<b>62,719</b>	<b>33,176</b>	<b>(86,108)</b>	<b>(52,932)</b>
<b>Return/(loss) per ordinary share:</b>						
Basic	9.9p	26.1p	36.0p	17.2p	(44.6)p	(27.4)p
<b>Weighted average number of ordinary shares in issue during the period</b>			<b>174,247,673</b>			<b>193,015,167</b>

The total column of this statement represents the Company's income statement, prepared in accordance with UK Accounting Standards. The return/(loss) on ordinary activities after taxation for the financial period is the total comprehensive income/(expense) and therefore no additional statement of other comprehensive income/(expense) is presented. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

## Condensed Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
<b>For the six months ended 30 September 2020 (Unaudited)</b>						
At 31 March 2020	48,917	10,394	24,676	706,726	81,771	872,484
Return on ordinary activities	-	-	-	45,480	17,239	62,719
Dividends paid - note 5	-	-	-	-	(27,672)	(27,672)
Shares bought back and held in treasury	-	-	-	(8,431)	-	(8,431)
<b>At 30 September 2020</b>	<b>48,917</b>	<b>10,394</b>	<b>24,676</b>	<b>743,775</b>	<b>71,338</b>	<b>899,100</b>
<b>For the six months ended 30 September 2019 (Unaudited)</b>						
At 31 March 2019	48,917	10,394	24,676	1,215,237	83,213	1,382,437
(Loss)/return on ordinary activities	-	-	-	(86,108)	33,176	(52,932)
Dividends paid - note 5	-	-	-	-	(30,246)	(30,246)
Shares bought back and held in treasury	-	-	-	(60,980)	-	(60,980)
<b>At 30 September 2019</b>	<b>48,917</b>	<b>10,394</b>	<b>24,676</b>	<b>1,068,149</b>	<b>86,143</b>	<b>1,238,279</b>

# Condensed Balance Sheet

	At 30 September 2020 (unaudited) £'000	At 31 March 2020 (audited) £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss – note 7	994,061	922,433
<b>Current assets</b>		
Amounts due from brokers	1,896	3,217
Tax recoverable	2,786	2,621
Prepayments and accrued income	929	1,561
Cash and cash equivalents	2,034	43,958
	7,645	51,357
<b>Creditors: amounts falling due within one year</b>		
Amounts due to brokers	(1,978)	(996)
Share buybacks awaiting settlement	(435)	(68)
Accruals	(687)	(870)
	(3,100)	(1,934)
<b>Net current assets</b>	<b>4,545</b>	<b>49,423</b>
<b>Total assets less current liabilities</b>	<b>998,606</b>	<b>971,856</b>
<b>Creditors: amounts falling due after more than one year</b>		
7.75% Debenture Stock 30 Sep 2022	(99,506)	(99,372)
<b>Net assets</b>	<b>899,100</b>	<b>872,484</b>
<b>Capital and reserves</b>		
Share capital - note 6	48,917	48,917
Share premium	10,394	10,394
Capital redemption reserve	24,676	24,676
Capital reserve	743,775	706,726
Revenue reserve	71,338	81,771
<b>Total Shareholders' funds</b>	<b>899,100</b>	<b>872,484</b>
Net asset value per ordinary share – note 8		
Basic - debt at par value	519.90p	499.11p
- debt at market value	512.83p	490.40p
<b>Number of 25p ordinary shares in issue at the period end - note 6</b>	<b>172,841,929</b>	<b>174,682,929</b>

# Notes to the Condensed Financial Statements

## 1. ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 104 Interim Financial Reporting and the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in October 2019. The financial statements are issued on a going concern basis.

The accounting policies applied to these condensed financial statements are consistent with those applied in the financial statements for the year ended 31 March 2020.

## 2. INCOME

	SIX MONTHS TO 30 SEPTEMBER	
	2020 (Unaudited) £'000	2019 (Unaudited) £'000
<b>Income from investments:</b>		
UK dividends - ordinary	15,378	28,209
- special	1,717	534
Overseas dividends - ordinary	2,438	6,195
- special	-	475
UK unfranked investment income	-	1,154
	<b>19,533</b>	<b>36,567</b>
<b>Other income:</b>		
Deposit interest	3	1
Money market deposit	11	-
<b>Total income</b>	<b>19,547</b>	<b>36,568</b>

No special dividends have been recognised in capital during the period (2019: £590,000).

## 3. MANAGEMENT FEE AND FINANCE COSTS

The management fee arrangements are as reported in the 2020 annual financial report, being 0.04000% on the first £500 million and 0.03875% on the remainder of the market capitalisation of the Company's ordinary shares at each month end and paid monthly in arrears (equivalent to an annualised fee of 0.480% on the first £500m and 0.465% on the remainder). The management fee and finance costs are allocated 30% to revenue and 70% to capital. The Manager waived its fee for the first three months of its appointment.

## 4. TAX

Owing to the Company's status as an investment company no tax liability arises on capital gains. The tax charge represents withholding tax suffered on overseas income. A deferred tax asset is not recognised in respect of surplus management expenses since the Directors believe that there will be no taxable profits in the future against which these can be offset.

## Notes to the Condensed Financial Statements / continued

## 5. DIVIDENDS PAID ON ORDINARY SHARES

	SIX MONTHS TO 30 SEPTEMBER			
	2020 (Unaudited)		2019 (Unaudited)	
	pence	£'000	pence	£'000
Third interim	6.40	11,180	6.25	12,218
Final	9.45	16,492	9.25	18,028
<b>Total</b>	<b>15.85</b>	<b>27,672</b>	<b>15.50</b>	<b>30,246</b>

The first interim dividend of 6.00p per ordinary share for the year ended 31 March 2021 (2020: 6.40p) will be paid on 27 November 2020 to shareholders on the register on 13 November 2020.

## 6. SHARE CAPITAL, INCLUDING MOVEMENTS

*Share capital represents the total number of shares in issue, including treasury shares.*

	SIX MONTHS TO 30 SEPTEMBER 2020 (Unaudited) £'000	YEAR TO 31 MARCH 2020 (Audited) £'000
Ordinary shares of 25p each	43,211	43,671
Treasury shares of 25p each	5,706	5,246
	<b>48,917</b>	<b>48,917</b>

	SIX MONTHS TO 30 SEPTEMBER 2020 (Unaudited)	YEAR TO 31 MARCH 2020 (Audited)
Number of ordinary shares in issue:		
Brought forward	174,682,929	195,481,734
Shares bought back into treasury	(1,841,000)	(20,798,805)
<b>Carried forward</b>	<b>172,841,929</b>	<b>174,682,929</b>
Number of treasury shares held:		
Brought forward	20,983,805	185,000
Shares bought back into treasury	1,841,000	20,798,805
<b>Carried forward</b>	<b>22,824,805</b>	<b>20,983,805</b>
<b>Total ordinary shares</b>	<b>195,666,734</b>	<b>195,666,734</b>

Subsequent to the period end 659,000 ordinary shares were bought back at an average price of 455.98p.

## 7. CLASSIFICATION UNDER FAIR VALUE HIERARCHY

All except one of the Company's portfolio of investments are in the Level 1 category as defined in FRS 102. The three levels are set out as follows:

- Level 1 - The unadjusted quoted price in an active market for identical assets that the entity can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The fair value hierarchy analysis for investments held at fair value at the period end is as follows:

	30 SEPTEMBER 2020 (Unaudited) £'000	31 MARCH 2020 (Audited) £'000
<b>Financial assets designated at fair value through profit or loss:</b>		
Level 1	993,907	922,279
Level 3	154	154
<b>Total for financial assets</b>	<b>994,061</b>	<b>922,433</b>

The level 3 investment consists of one holding in Eurovestech of £154,000 (31 March 2020: £154,000). The holding in Eurovestech did not change during the reporting period.

## 8. NET ASSET VALUE (NAV) PER ORDINARY SHARE

### (a) NAV – debt at par value

The shareholders' funds in the balance sheet are accounted for in accordance with accounting standards; however, this does not reflect the rights of shareholders on a return of assets under the Articles of Association. These rights are reflected in the net assets with debt at par value and the corresponding NAV per share. A reconciliation between the two sets of figures follows:

	30 SEPTEMBER 2020 (Unaudited) Pence per share	31 MARCH 2020 (Audited) Pence per share
Shareholders' funds	520.19	499.47
Less: unamortised discount and expenses arising from debenture issue	(0.29)	(0.36)
<b>NAV – debt at par</b>	<b>519.90</b>	<b>499.11</b>
<b>NAV – debt at par £'000</b>	<b>898,606</b>	<b>871,856</b>

## Notes to the Condensed Financial Statements / continued

**(b) NAV – debt at market value**

The market value of the debenture stock is determined by reference to the daily closing price, and is subject to review against various data providers to ensure consistency between data providers and against the reference gilt.

The NAV per share adjusted to include the debenture stock at market value rather than at par is as follows:

	<b>30 SEPTEMBER 2020 (Unaudited) Pence per share</b>	<b>31 MARCH 2020 (Audited) Pence per share</b>
NAV - debt at par	519.90	499.11
Debenture stock - debt at par	57.85	57.25
- debt at market value	(64.92)	(65.96)
<b>NAV – debt at market value</b>	<b>512.83</b>	<b>490.40</b>
<b>NAV – debt at market value £'000</b>	<b>886,390</b>	<b>856,647</b>
<b>Debenture Stock at market value £'000</b>	<b>112,216</b>	<b>115,209</b>

**9. INVESTMENT TRUST STATUS**

It is the intention of the Directors to conduct the affairs of the Company so that it continues to satisfy the conditions for approval as an investment trust company within the meaning of section 1159 of the Corporation Tax Act 2010.

**10. STATUS OF HALF-YEARLY FINANCIAL REPORT**

The financial information contained within the financial statements in this half-yearly financial report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the half years ended 30 September 2020 and 30 September 2019 has not been audited. The figures and financial information for the year ended 31 March 2020 are extracted and abridged from the latest audited accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

By order of the Board

**PRAXISIFM FUND SERVICES (UK) LIMITED**

Company Secretary

19 November 2020

# Other Information for Shareholders



# Directors, Advisors and Principal Service Providers

## DIRECTORS

Glen Suarez, Chairman  
Victoria Hastings, Senior Independent Director  
Gordon McQueen, Audit Committee Chairman  
Steve Baldwin  
Elisabeth Stheeman  
Maxwell Ward

## REGISTERED OFFICE

Quartermile One  
15 Lauriston Place  
Edinburgh  
EH3 9EP

## COMPANY NUMBER

Registered in Scotland.  
Number: SC1836

## ALTERNATIVE INVESTMENT FUND MANAGER (MANAGER)

Majedie Asset Management Limited  
10 Old Bailey  
London EC4M 7NG  
☎ 020 8126 0088

## COMPANY SECRETARY

PraxisIFM Fund Services (UK) Limited  
Company Secretarial Contact: Jenny Thompson  
Correspondence Address  
1st Floor, Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB  
☎ 020 4513 9260

## INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

## DEPOSITARY AND CUSTODIAN

The Bank of New York Mellon (International) Limited  
1 Canada Square  
London  
E14 5AL

## BANKER

The Bank of New York Mellon  
160 Queen Victoria Street  
London  
EC4V 4LA

## CORPORATE BROKER

Investec Bank plc  
30 Gresham Street  
London  
EC2V 7QP

## THE ASSOCIATION OF INVESTMENT COMPANIES

The Company is a member of the Association of Investment Companies. Contact details are as follows:

☎ 020 7282 5555  
Email: [enquiries@theaic.co.uk](mailto:enquiries@theaic.co.uk)  
Website: [www.theaic.co.uk](http://www.theaic.co.uk)

## LAWYER

Dentons UK and Middle East LLP  
Quartermile One  
15 Lauriston Place  
Edinburgh  
EH3 9EP

## REGISTRAR

Link Asset Services Limited  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

If you hold your shares direct and not through a Savings Scheme or ISA and have queries relating to your shareholding, you should contact the Registrars on:

☎ 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider.

From outside the UK: +44 371 664 0300. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9.00am to 5.30pm, Monday to Friday (excluding UK Public Holidays).

Shareholders can also access their holding details via Link's website:

[www.signalshares.com](http://www.signalshares.com)

Link Asset Services provide an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at [www.linksharedeal.com](http://www.linksharedeal.com) or

☎ 0371 664 0445

Calls are charged at the standard geographic rate and will vary by provider.

From outside the UK: +44 371 664 0445. Calls from outside the UK will be charged at the applicable international rate. Lines are open from 8.00am to 5.30pm, Monday to Friday (excluding UK Public Holidays).

Link Asset Services is the business name of Link Market Services Limited.



# Alternative Performance Measures

## ALTERNATIVE PERFORMANCE MEASURE (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The calculations shown in the corresponding tables are for the interim period ended 30 September 2020 and the year ended 31 March 2020. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability, providing useful additional information.

## BENCHMARK (OR BENCHMARK INDEX)

A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market. The benchmark most often referred to in this interim financial report is the FTSE All-Share Index.

## DISCOUNT OR PREMIUM (APM)

Discount is a measure of the amount by which the mid-market price of an investment company share is lower than the underlying net asset value of that share. Conversely, Premium is a measure of the amount by which the mid-market price of an investment company share is higher than the underlying net asset value of that share. In this interim financial report the discount is expressed as a percentage of the NAV per share with debt at market value (see reconciliation of NAV per share with debt at market value in note 8 on page 20) and is calculated according to the formula set out below. If the shares are trading at a premium the result of the below calculation will be positive and if they are trading at a discount it will be negative.

	Page		30 SEPTEMBER 2020	31 MARCH 2020
Share price	3	a	443.00p	434.00p
NAV per share – debt at market value (note 8)	3	b	512.83p	490.40p
<b>Discount</b>		$c = (a-b)/b$	(13.6)%	(11.5)%

## GEARING

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which net assets, or shareholders' funds, would move if the value of a company's investments were to rise or fall. A positive percentage indicates the extent to which net assets are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that a company is not fully invested and is holding net cash as described below.

There are several methods of calculating gearing and the following has been used in this report:

## GROSS GEARING (APM)

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of net assets.

	Page		30 SEPTEMBER 2020 £'000	31 MARCH 2020 £'000
Debenture stock - debt at market value	20		112,216	115,209
Gross borrowings		a	112,216	115,209
NAV - debt at market value	20	b	886,390	856,647
<b>Gross gearing</b>		$c = a/b$	12.7%	13.4%

## Alternative Performance Measures / continued

### NET GEARING OR NET CASH (APM)

Net gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and cash equivalents (incl. investments in money market funds). It is based on net borrowings as a percentage of net assets. Net cash reflects the net exposure to cash and cash equivalents, as a percentage of net assets, after any offset against total borrowings.

	Page		30 SEPTEMBER 2020 £'000	31 MARCH 2020 £'000
Debenture stock - debt at market value	20		112,216	115,209
Less: cash and cash equivalents	16		(2,034)	(43,958)
Net borrowings		a	110,182	71,251
Net asset value - debt at market value	20	b	886,390	856,647
Net gearing		c = a/b	12.4%	8.3%

### NET ASSET VALUE (NAV)

Also described as shareholders' funds, the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per share is calculated by dividing the net asset value by the number of ordinary shares in issue (excluding shares held in treasury). For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at amortised cost (their repayment – often nominal – value). An alternative, NAV with debt at market value, values long term liabilities at their market (fair) value and is shown in note 8 on page 20.

### RETURN

The return generated in a period from the investments.

### CAPITAL RETURN

Reflects the return on NAV, but excluding any dividends reinvested.

### TOTAL RETURN

Total return is the theoretical return to shareholders that measures the combined effect of any dividends paid together with the rise or fall in the share price or NAV. In this half-yearly financial report these return figures have been sourced from Refinitiv who calculate returns on an industry comparative basis.

### Net Asset Value Total Return (APM)

Total return on net asset value per share, with debt at market value, assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

### Share Price Total Return (APM)

Total return to shareholders, on a mid-market price basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

SIX MONTHS ENDED 30 SEPTEMBER 2020	Page	Net Asset Value	Share Price
As at 30 Sep 2020	3	512.83p	443.00p
As at 31 Mar 2020	3	490.40p	434.00p
Change in period		a	4.6%
Impact of dividend reinvestments <sup>(1)</sup>		b	3.2%
<b>Total return for the period</b>		c = a+b	7.8%

YEAR ENDED 31 MARCH 2020	Page	Net Asset Value	Share Price
As at 31 Mar 2020	3	490.40p	434.00p
As at 31 Mar 2019		696.91p	644.00p
Change in year		a	-29.6%
Impact of dividend reinvestments <sup>(1)</sup>		b	2.9%
<b>Total return for the year</b>		c = a+b	-26.7%

<sup>(1)</sup> Total dividends paid during the period of 15.85p (31 March 2020: 28.30p) reinvested at the NAV (debt at market value) or share price on the ex-dividend date. NAV or share price falls subsequent to the reinvestment date consequently further reduce the returns, vice versa if the NAV or share price rises.

### Benchmark

Total return on the benchmark is on a mid-market value basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

