QuotedData

Monthly roundup | Investment companies

February 2019

Winners and losers in January

Best performing funds in price terms in January

	(%)
Premier Global Infrastructure	21.6
MedicX	19.3
Independent	16.5
Schroder UK Mid Cap	15.5
Edinburgh Worldwide	14.6
Pershing Square	14.2
Majedie Investments	13.8
Aberdeen Smaller Companies Income	13.5
Chelverton UK Dividend	12.4
Baring Emerging Europe	12.3

Source: Morningstar, Marten & Co

Worst performing funds in price terms in January

	(%)
Marble Point Loan Financing	(14.4)
Macau Property Opportunities	(13.1)
Aberdeen New India	(8.1)
LMS Capital	(7.8)
VietNam Holding	(7.7)
CatCo Reinsurance Opportunities	(7.5)
JPMorgan Indian	(6.9)
NB Distressed Debt Extended Life	(6.4)
Ediston Property	(5.2)
Electra Private Equity	(5.1)

Source: Morningstar, Marten & Co

Best performing funds in NAV terms in January

	(%)
Premier Global Infrastructure	21.7
Pershing Square	14.5
BlackRock Latin American	12.4
BB Healthcare	11.8
Independent	11.6
JPMorgan Brazil	11.4
Biotech Growth	11.1
Baring Emerging Europe	9.8
Middlefield Canadian Income	9.8
Schroder UK Mid Cap	9.7

Source: Morningstar, Marten & Co

Worst performing funds in NAV in January

	(%)
Ashmore Global Opportunities (USD)	(9.8)
JPMorgan Indian	(9.1)
Aberdeen New India	(8.7)
India Capital Growth	(8.5)
Carador Income Fund	(7.0)
Ashoka India Equity	(6.4)
Reconstruction Capital II	(6.1)
Marwyn Value Investors	(4.9)
Kubera Cross Border	(4.8)
VietNam Holding	(4.5)

Source: Morningstar, Marten & Co

December's sharp sell-off in technology and growth stocks reversed somewhat in January. This was good for funds such as Independent, Edinburgh Worldwide, BB Healthcare and Biotech Growth. Bargain hunting in UK equities helped Schroder UK Mid Cap, Aberdeen Smaller Companies Income and Chelverton UK Dividend. The Brazilian government made positive comments about infrastructure spending. This was good news for Premier Global Infrastructure (which also benefited from a wider recovery in emerging markets) but other Latin American funds also did well. MedicX looks set to merge with Primary Healthcare Properties. Pershing Square announced a modest dividend. Majedie's discount narrowed after it reminded shareholders that it had buyback powers (but didn't use them). Baring Emerging Europe rose after Eastern European currencies strengthened.

Marble Point Loan Financing was hit by December's sell-off in the CLO market; Carador Income Fund suffered too. Macau Property Opportunities' discount widened as it commented on a slowing VIP gaming market. The Indian market was particularly weak on fears of slowing economic growth, knocking Aberdeen New India, JPMorgan Indian, India Capital Growth, Ashoka India Equity and Kubera Cross Border. LMS Capital announced a fall in its NAV. VietNam Holding has been underperforming competing funds, it is blaming its preference for mid cap companies. Investors continued to desert CatCo Reinsurance Opportunities as it emerged that the CEO and CEO of its Bermudan operations had been dismissed. The price of BCA Marketplace, Marwyn's largest investment, drifted off in January.

Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

% discount (-ve) or premium (+ve)	31 Jan (%)	31 Dec (%)
MedicX	11.3	(6.6)
Lindsell Train	56.7	44.8
Standard Life Inv Property Income	0.0	(10.7)
Fair Oaks Income	(0.2)	(9.3)
Regional REIT	(6.8)	(15.8)

Source: Morningstar, Marten & Co

MedicX's share price rose sharply after it announced a tie-up with Primary Healthcare Properties. For much of the past three years, Standard Life Investments Property Income has traded at a premium. Investors took advantage of a temporary weakness in its share price to pick up stock. Likewise, Fair Oaks Income rebounded after December's sell-off. Regional REIT refinanced its zero dividend preference shares and announced a number of new lettings.

Cheaper relative to NAV (notable changes)

% discount (-ve) or premium (+ve)	31 Jan (%)	31 Dec (%)
Marble Point Loan Financing	2.9	16.3
CC Japan Income & Growth	(0.1)	7.2
Geiger Counter	4.8	12.0
Macau Property Opportunities	(42.7)	(35.7)
Qannas Investments	6.7	13.0

Source: Morningstar, Marten & Co

Marble Point Loan Financing experienced a delayed reaction to December's weak CLO market but remains on a small premium. Similarly, CC Japan Income & Growth experienced a delayed reaction to the pronounced sell-off in Japanese equites at the end of 2018. Geiger Counter's premium moderated a little as did Qannas, whose shares rarely trade. Macau Property Opportunities released a downbeat trading statement.

Money raised and returned in January

Money raised in January

	(£m)
Scottish Mortgage	57.6*
Smithson Investment Trust	27.9*
City of London	22.2*
Finsbury Growth & Income	21.3*
Capital Gearing	12.1*

Source: Morningstar, Marten & Co* approximate value of shares at 31/01/19

There were no new issues in January but very little buyback activity too, as investors appear to be sitting on their hands. Scottish Mortgage tops a list of trusts issuing stock to meet day-to-day demand from investors. In addition to the trusts listed in the table, Personal Assets, BB Healthcare, Worldwide Healthcare, Fidelity Special Values, F&C Investment Trust, Primary Healthcare Properties and Alpha Real Trust all issued at least £5m worth of shares.

Money returned in January

	(£m)
Edinburgh Dragon	216.5
NB Floating Rate Income	19.5
JPEL Private Equity	$25.0
Chenavari Capital Solutions	9.0
JZ Capital	4.8

Source: Morningstar, Marten & Co, * approximate value of shares at 31/01/19

Edinburgh Dragon held a tender offer for 30% of its issued shares. 60.5% of its shares were tendered and so the tender was taken up in full. JPEL Private Equity made its fifth mandatory share redemption, returning $25m to investors. Chenavari Capital Solutions also made a compulsory redemption, returning £9m. NB Global Floating Rate Income and JZ Capital continue to shrink.

January's major news stories – from our website

Portfolio developments

- NB Private Equity sold a portfolio of funds
- Riverstone Energy sold Meritage Midstream
- JZ Capital sold Petrocorner
- BioPharma Credit was boosted by a windfall profit on its TESARO loan
- Augmentum Fintech invested in iwoca and Farewill
- Hg Capital bought Transporeon
- Hipgnosis bought two music catalogues

Corporate news

- Some shareholders in Carador Income Fund rolled over their investment into BlackRock/GSO Loan Finance
- Athelney Trust's board was shaken up

Property news

- LondonMetric Property sold three warehouses
- Thalassa bid for Local Shopping REIT
- Stenprop sold Euston House
- Summit Germany is considering spinning out its German property business
- AEW UK Long Lease bought a Bristol care home
- Residential Secure Income is partnering with Morgan Sindall
- Primary Healthcare Properties and MedicX will merge
- Tritax Big Box announced a dilutive share issue
- LXi REIT made a number of deals
- CEIBA Investments has invested all its cash
- Civitas Social Housing annualised rent roll exceeded £40m, it also drew attention to a grading under review notice for Bespoke Supportive Tenancies
- PRS REIT bought a number of development sites

Managers and fees

- Baillie Gifford US Growth got a new co-manager
- CatCo Reinsurance Opportunities' manager ousted its CEO
- Troy Income & Growth cut its management fee

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Income

Investment companies announcing their full year dividends in January

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
Primary Healthcare Properties	31/12/18	5.4	+2.9	5.2	0.96x
Drum Income Plus REIT	30/09/18	6.0	+9.1	6.8	1.13x
BlackRock Commodities Income	30/11/18	4.0	unchanged	4.37	1.09x
Henderson Opportunities	31/10/18	21.0	+5.0	20.2	0.96x
Chenavari Capital Solutions	30/09/18	4.0	(40.7)	1.3[a]	0.32x
CC Japan Income & Growth	31/10/18	3.75	+8.7	4.55	1.21x
JPMorgan Russian	31/10/18	26.0	+23.8	29.58	1.14x
Independent	30/11/18	7.0 + 3.0[b]	+16.7	10.53	1.50x[b]
Bankers	31/10/18	19.72	+6.0	20.78	1.05x
Jupiter Emerging & Frontier Income	30/09/18	6.2[d]	n/a	6.54	1.05x
TwentyFour Select Monthly Income	30/09/18	6.55	(0.2)	2.9[c]	0.44x
Aberdeen Diversified Income & Growth	30/09/18	5.24	(11.0)	6.15	1.17x
Safestore	31/10/18	16.25	+16.1	26.8	1.65x

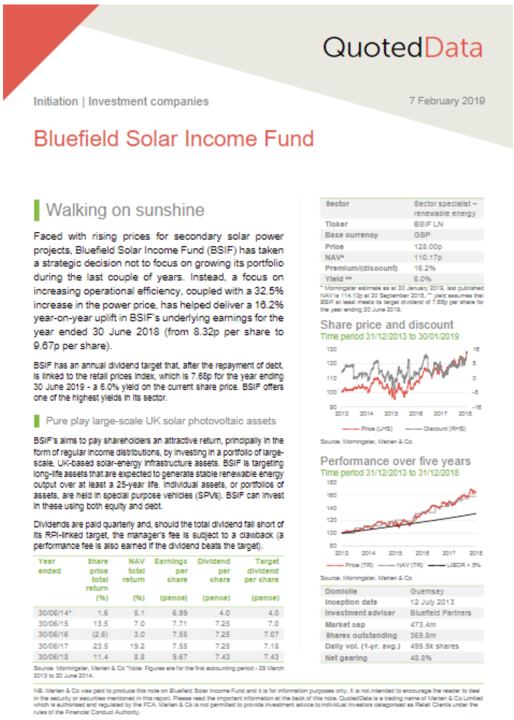
* unless otherwise specified

a) The company does not separate revenue and capital items in its accounts. It is in the process of realising its portfolio.
b) 7p dividend plus a 3p special dividend, cover and change are based solely on the base dividend
c) The company does not separate revenue and capital items in its accounts
d) Exceeding forecast of 6p in its prospectus.

Publications

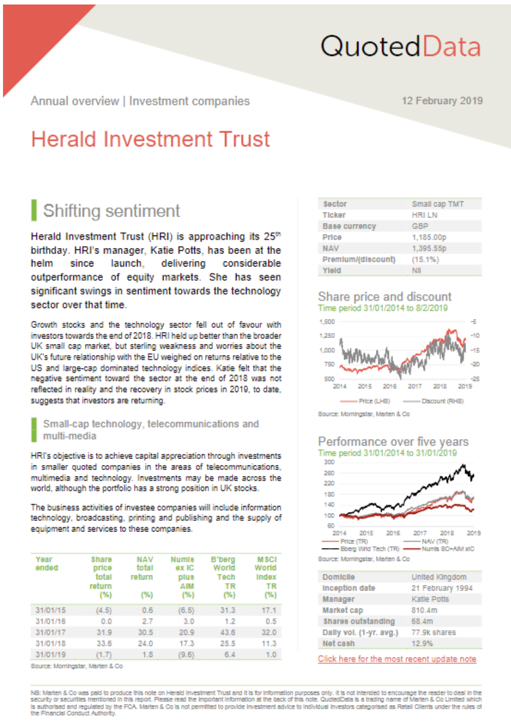
Our update note on BlackRock Throgmorton Trust highlights the added value that its manager has been able to extract by exploiting its ability to sell companies short. This a key point of difference between this trust and competing funds.

Aberdeen Emerging Markets has been affected by the negative sentiment towards emerging markets but its managers believe there is a potential for a reversal of fortune



Our initiation note on Bluefield Solar Fund explains the workings of the fund and the steps the manager has been taking to boost earnings

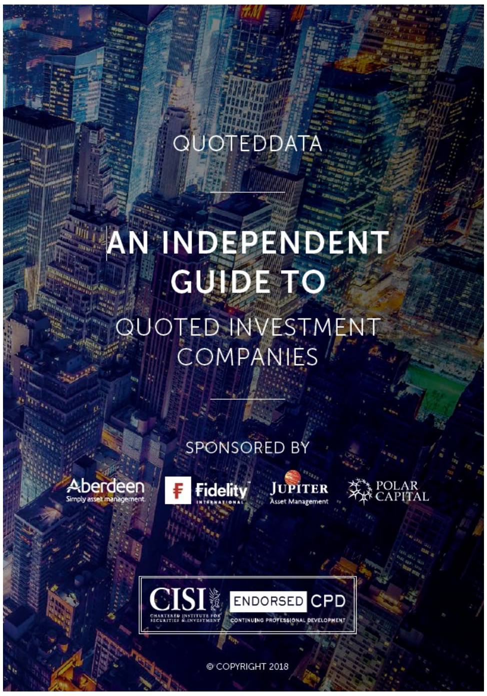
This update on JPMorgan Russian notes the positive effect that a higher oil price had on the Russian economy but, despite this, valuations of Russian stocks remain attractive.



Herald Investment Trust is 25 years old and going strong but, in the short-term, its performance has been affected by shifting sentiment toward the technology sector.

Civitas Social Housing has seen some slight weakness in its share price in recent weeks which could be related to actions being taken by the regulator to strengthen the social housing sector. Civitas welcomes higher standards, however.

Our independent guide to quoted investment companies is an invaluable tool for anyone who wants to brush up on their knowledge of the investment companies' sector. Please register on www.quoteddata.com if you would like it emailed to you directly.



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