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Monthly roundup | Investment companies

March 2019

Winners and losers in February

Best performing funds in price terms in February

	(%)
JPMorgan Chinese	12.0
Fidelity China Special Situations	11.5
Pacific Horizon	9.8
Pershing Square Holdings	9.1
BB Healthcare	9.1
Atlantis Japan Growth	8.9
Dunedin Enterprise	8.3
JPMorgan US Smaller Companies	8.2
Baillie Gifford US Growth	7.9
Symphony International Holding	7.7

Source: Morningstar, Marten & Co

Worst performing funds in price terms in February

	(%)
Doric Nimrod Air Three	(11.6)
Doric Nimrod Air One	(11.5)
Doric Nimrod Two	(10.6)
Amedeo Air Four Plus	(9.8)
CIP Merchant Capital	(6.2)
Ceiba Investments	(5.5)
F&C Commercial Property	(5.3)
Ground Rents Income Fund	(5.0)
Civitas Social Housing	(5.0)
Chelverton UK Dividend Trust	(4.7)

Source: Morningstar, Marten & Co

Best performing funds in NAV terms in February

	(%)
JPMorgan Chinese	9.1
Pershing Square Holdings	8.2
Fidelity China Special Situations	7.8
Edinburgh Worldwide	7.3
Baillie Gifford US Growth	6.6
Fidelity Japan Trust	6.5
Africa Opportunity	6.4
Pacific Horizon	6.1
BB Healthcare	5.5
Renewables Infrastructure Group	5.5

Source: Morningstar, Marten & Co

Worst performing funds in NAV in February

	(%)
BlackRock Latin American	(5.9)
Crystal Amber	(5.6)
JPMorgan Brazil	(4.8)
Baker Steel Resources	(3.9)
Aberdeen Latin American Income	(3.8)
Downing Strategic Micro-Cap Investment Trust	(3.6)
RDL Realisation	(2.5)
Boussard & Gavaudan EUR	(2.5)
Ruffer Investment Company	(2.4)
Baring Emerging Europe	(2.3)

Source: Morningstar, Marten & Co

JPMorgan Chinese, Fidelity China and Pacific Horizon benefited from a booming Chinese market in February. This was mainly due to increased investor optimism in US-China trade relations. Pershing Square's price rose after it announced it would pay dividends. Healthcare stocks are more buoyant following a few takeovers in the sector, benefitting funds such as BB Healthcare. Japan had a better month with strong performance from Fidelity Japan and Atlantis Japan Growth. The latter fund's manager says that the portfolio's growth bias and its overweight in small and medium cap stocks helped it in February. Dunedin Enterprise was tipped in the Telegraph. US-focused funds like JPMorgan US Smaller Companies and Baillie Gifford US Growth rose as investors became less nervous that rates would rise.

The main underperformers in price terms in February struggled significantly due to Airbus' announcement that it will be halting A380 production in 2021. Those funds that own and lease A380s to Emirates – the three Doric Nimrod funds and Amedeo Air Four – have all seen sharp falls in their share prices. Civitas Social Housing encountered issues around grading under review notices, increasing the nervousness of investors. Ground Rent's share price fell five percent following the loss of a court hearing, rendering them at fault for a failure of a structural sealant at Beetham Tower in Manchester. Brazil gave back some of the gains that it made in January, knocking JPMorgan Brazil, Aberdeen Latin American and BlackRock Latin American. Hurricane Energy's share price weakened, hitting Crystal Amber.

Significant moves in discounts and premiums

More expensive relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	28 Feb (%)	31 Jan (%)
Lindsell Train	64.9	56.7
Baker Steel Resources	(17.2)	(24.6)
MedicX	18.4	11.3
Blackstone/GSO Loan Financing	(5.7)	(12.7)
BMO Private Equity Trust	(1.3)	(8.2)

Source: Morningstar, Marten & Co

Lindsell Train has performed quite well over time. However, the high premium indicates that the fund is overvalued compared to NAV. MedicX saw an increase in premium in February because shares in Primary Healthcare Properties, which is bidding for the company, increased. Blackstone/GSO Loan Financing became more expensive due to weaker loan pricing, and the earnings of the loans fell in February.

Cheaper relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	28 Feb (%)	31 Jan (%)
Doric Nimrod Air Three	37.2	55.2
Doric Nimrod Air Two	14.8	28.3
Doric Nimrod Air One	(4.2)	8.3
Amedeo Air Four Plus	9.3	21.2
CIP Merchant Capital	(23.3)	(17.0)

Source: Morningstar, Marten & Co

Amedeo Air Four Plus, along with the three Doric Nimrod funds, lost value and became cheaper relative to NAV as a result of Airbus announcing its discontinuation of production of the A380 airplane.

Money raised and returned in February

Money raised in February

	(£m)
Tritax Big Box	331.2*
Tufton Oceanic Assets	$50.0
Smithson Investment Trust	26.8
M&G Credit Income Investment	25.2
Finsbury Growth & Income	24.9

Source: Morningstar, Marten & Co* approximate value of shares at 28/02/19

Tritax Big Box issued shares worth £331.2m in February, £250m was raised from investors and 40.5m shares were also issued to satisfy its purchase of db Symmetry acquisition. Tufton Oceanic raised US$50m to capitalise on the investment manager's finding of a pipeline of secondhand vessels. Smithson and Finsbury both raised money via a constant issuing of stock to investors throughout February. M&G Credit Income had a successful placement, raising £25.25m for the issue of 25 million ordinary shares. Other companies that raised at least £5m last month were Scottish Mortgage, Primary Health Properties, Capital Gearing, Worldwide Healthcare, Personal Assets, CC Japan Income & Growth, City of London, and Axiom European Financial Debt.

Money returned in February

	(£m)
Lazard World Trust Fund	(70.0)
Carador Income Fund USD	($32.5)
NB Global Floating Rate Income GDP	(17.9)
Templeton Emerging Markets	(8.6)
Witan	(6.0)

Source: Morningstar, Marten & Co, * approximate value of shares at 28/02/19

The £70m returned by Lazard World Trust in February comes as a result of the preapproved winding down of the company. There is another £40m on its way in March. Carador Income repurchased US dollar shares totalling $32.5m during the month. Throughout the month of February, NB Global had been repurchasing its own shares, returning capital to the shareholders, totalling £17.9m. Templeton and Witan both were subject to a buying back of stock taking place over the course of last month. As for other companies that returned more than £5m in February, there was just one – Third Point Offshore USD.

February's major news stories – from our website

Portfolio developments

- Tetragon Financial hit target despite market climate
- Unite confident in focus on high quality universities
- Riverstone Energy hurt by Hammerhead and Centennial
- Law Debenture protected against 40% of market decline
- Bluefield Solar announced a great start to the year
- Hammerson portfolio returned negative
- Herald benefited from defensive positioning
- Renewables Infrastructure's saw NAV TR of 11.6%
- Aberdeen Standard European expanded in France
- BB Healthcare had another successful year
- BlackRock Throgmorton outperformed challenging 2018
- 3i Infrastructure made plans to sell Cross-London trains

Corporate news

- Tufton Oceanic Assets invested fully, raising capital
- Airbus announced end of A380 production
- Witan Pacific announced outperform benchmark or bust
- Alternative Liquidity made plans to expand
- Little Athelney Trust beefed up board again
- Pershing Square to pay modest dividend

Property news

- RDI REIT shopping centre loan breached covenant
- LXB Retail Properties announced imminent de-listing
- AEW UK Long Lease bought YMCA Woolston Nursery
- Aberdeen Standard European invested in Krakow
- Civitas Social Housing purchased nine properties
- AEW UK REIT acquired Lockwood Court Warehouse
- Primary Health bought primary care centre
- Regional REIT bought Norfolk House in Birmingham
- Warehouse REIT acquired Glasgow air cargo centre
- Ediston restructured lease at Prestatyn shopping park
- Tritax Big Box fundraised £250m for db Symmetry buy
- Ground Rents Income lost court case to Blue Manchester
- Ediston Property increased exposure to B&M Retail
- Judgement issued on Inclusion Housing CIC

Managers and fees

- Temple Bar made Peter Lowery deputy manager
- Ranger Direct Lending changed management
- Schroder Japan acquired new manager
- Aberdeen Emerging's underlying managers struggled

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

Income

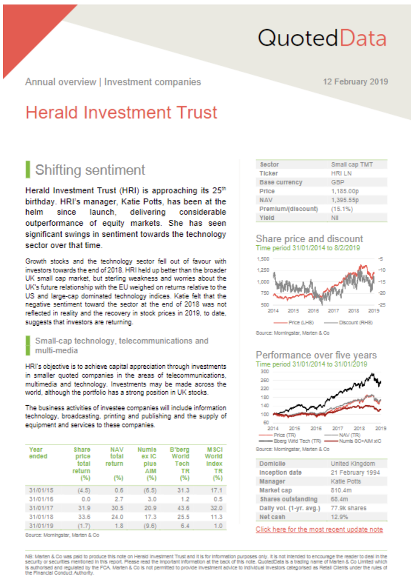
Investment companies announcing their full year dividends in February

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
Law Debenture	31/12/18	18.9	+9.2	21.25	1.12x
Greencoat UK Wind	31/12/18	6.76[a]	+4.2	18.54[b]	2.74x
Tetragon Financial	31/12/18	$0.72	+2.9	$2.65[b]	3.68x
Unite Group	31/12/18	29.0	+28.0	34.1	1.18x
Temple Bar	31/12/18	46.72	+10	49.5	1.06x
Renewables Infrastructure	31/12/18	6.5[c]	+1.6	11.7	1.8x
Brunner	30/11/18	18.15	+10	19.7	1.09x
BB Biotech AG	31/12/18	CHF3.05	(7.6)	CHF(8.51)	(2.79x)
BB Healthcare	30/11/18	4	+14.29	(0.07)	(.02x)
BlackRock Throgmorton	30/11/18	7.5	+7.1	11.02	1.47x
Polar Capital Global	30/11/18	4.15	+6.4	4.71	1.13x
Independent	30/11/18	7	+16.67	10.53	1.50x
Scottish American	31/12/18	11.5	+3.6	11.75	1.02x

* unless otherwise specified

a) Forecast 6.94p for 2019 (increased in line with December 2018 RPI).
b) The company does not separate its revenue and capital items
c) Forecast 6.64p for 2019, a 2.2% increase.

Publications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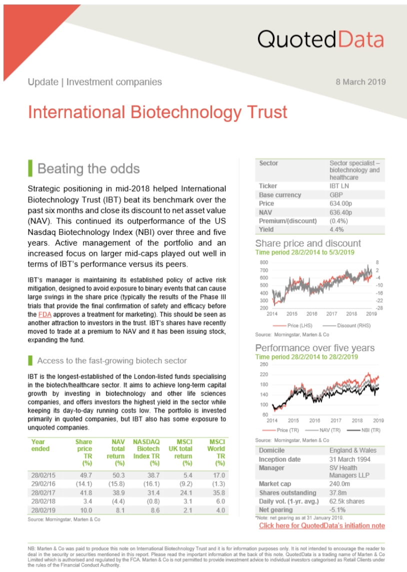
Annual overview | Investment companies
12 February 2019
Herald Investment Trust
Shifting sentiment

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.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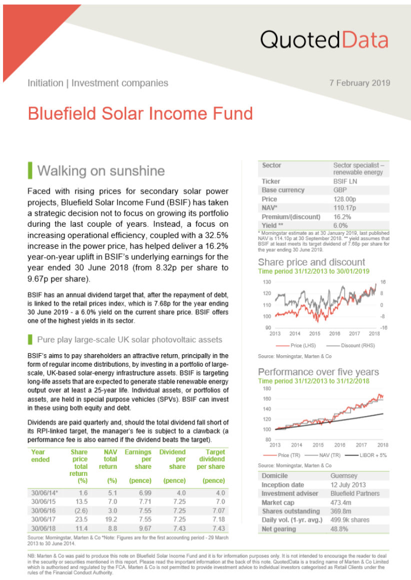
Update | Investment companies
8 March 2019
International Biotechnology Trust
Beating the odds

Our update on International Biotechnology Trust indicates some of the measures it has taken to beat its benchmark, as well as the manager's direction with the trust.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Initiation | Investment companies
7 February 2019
Bluefield Solar Income Fund
Walking on sunshine

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


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Update | REITs
19 February 2019
Civitas Social Housing
Regulatory action is positive

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.


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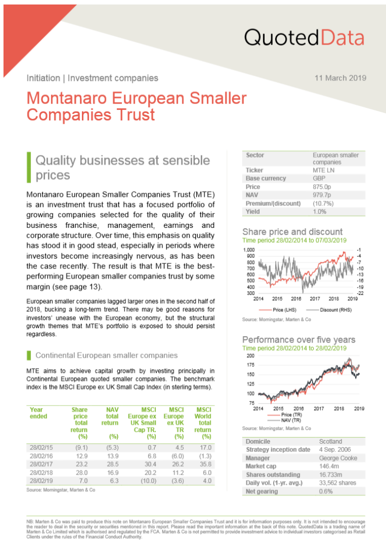
IPO note | Investment companies
5 March 2019
US Solar Fund Plc
Making hay

March's IPO note on US Solar Fund describes the fund in detail, specifically its plans for growth and the portfolio of assets the company will be investing in.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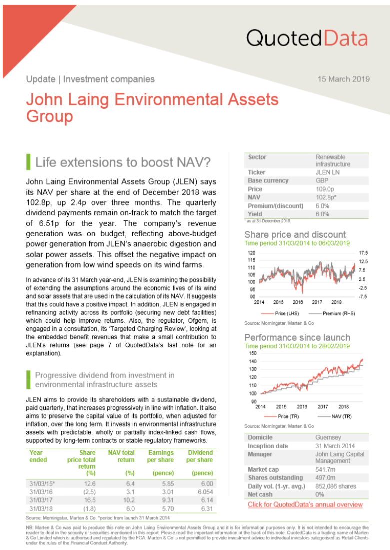
Initiation | Investment companies
11 March 2019
Montanaro European Smaller Companies Trust
Quality businesses at sensible prices

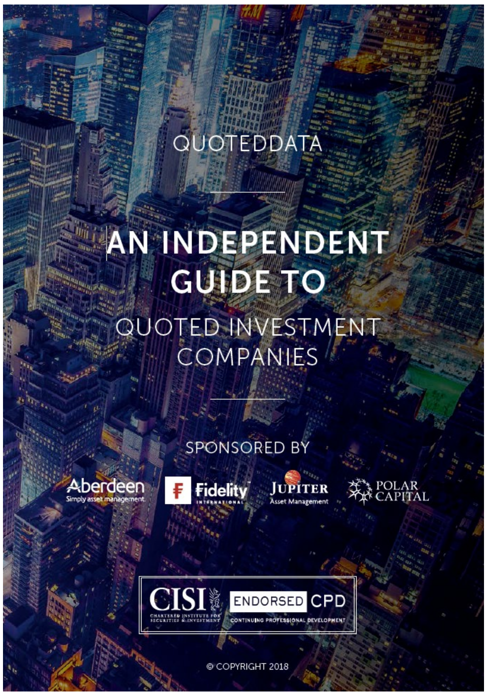
Our initiation research note on Montanaro discusses the measures the group has taken to be the best-performing European smaller companies trust by some margin.

Aberdeen Standard's initiation note brings up the strong likelihood that the fund will expand. This comes from the growth of online retail, and the resulting need for large logistics warehouses, which Aberdeen has a diverse portfolio of.



Our update note on John Laing Environmental details its investment strategy and what is currently going on with the company, including the positive progress as of late.

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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IMPORTANT INFORMATION