

## December 2019

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### Winners and losers in November

#### Best performing funds in NAV terms in November

	(%)
Biotech Growth	18.2
Hipgnosis Songs	13.3
JPMorgan Smaller Companies	11.7
Oryx International Growth	11.6
BB Healthcare	11.3
Triam Investors 1	10.1
Worldwide Healthcare	10.0
Edinburgh Worldwide	9.8
International Biotechnology	9.5
Smithson Investment	7.4

Source: Morningstar, Marten & Co

#### Best performing funds in price terms in November

	(%)
Montanaro UK Smaller Companies	18.0
Biotech Growth	17.9
Standard Life UK Smaller Companies	14.6
Worldwide Healthcare	14.3
JPMorgan Smaller Companies	14.3
Edinburgh Worldwide	13.7
Oryx International Growth	13.4
Aberdeen Smaller Companies	12.6
SQN Asset Finance Income	12.2
BB Healthcare	12.0

Source: Morningstar, Marten & Co

#### Worst performing funds in NAV terms in November

	(%)
Symphony International	(9.4)
Crystal Amber	(8.8)
Woodford Patient Capital	(8.3)
Carador Income USD	(7.4)
Marble Point Loan Financing	(7.0)
Aberdeen Latin American Income	(5.6)
BlackRock Latin American	(5.5)
Pantheon International	(5.4)
CATCo Reinsurance Opportunities	(5.2)
Standard Life Private Equity	(5.1)

Source: Morningstar, Marten & Co

#### Worst performing funds in price terms in November

	(%)
Woodford Patient Capital	(20.0)
LMS Capital	(15.1)
Hadrian's Wall Secured	(10.8)
Crystal Amber	(10.2)
Marwyn Value	(10.0)
Ceiba	(9.8)
Fair Oaks Income 2017	(9.7)
CIP Merchant Capital	(7.6)
ScotGems	(7.3)
Carador Income USD	(7.2)

Source: Morningstar, Marten & Co

Following a lacklustre October, risk-appetite rose over November, reflected by both the level of the NAV and price returns as well as the prevalence of growth-focused funds in the tables. A relatively subdued median NAV return +0.8% likely reflects a degree of momentum returning, lifting 'winners' higher and pushing 'losers' lower. Sectorally, biotech strategies had a strong month, led by [Biotech Growth](#) and [International Biotechnology](#). Broader healthcare strategies did well too, benefitting [BB Healthcare](#) and [Worldwide Healthcare](#). Investors appear to be warming to the idea that irrespective of who triumphs in the 2020 US election, the impact on Medicare for all will be less pronounced than initially feared. It was a good month for UK equities with several UK smaller companies trusts, led by [Montanaro UK Smaller Companies](#), [JPMorgan Smaller Companies](#) and [Standard Life UK Smaller Companies](#), taking up positions in the outperformers table. [Oryx International Growth](#) had some good news as its holding in waste company, Augean soared on a positive trading update.

After initially rallying in the aftermath of Schroders appointment as its new manager, [Woodford Patient Capital](#), led price losses. It may be that the new manager is attempting to release as much of the 'bad news' it inherited as it can. Latin American strategies had poor months, led by [Aberdeen Latin American Income](#) and [BlackRock Latin American](#), as regional political tensions and ongoing trade discontent affected sentiment. It was generally a poor month overall for emerging and frontier market funds, not helped by a strengthening in the dollar. Asia-focused [Symphony International](#) led NAV declines while shares in the Cuba-specialist, [Ceiba](#), were pushed down. [Carador Income USD](#), [Marble Point Loan Financing](#) and [Fair Oaks Income](#) were hit as investors became more nervous of credit ratings downgrades for low quality loans. [Marwyn](#) investors were disappointed when it ruled out any return of capital following the takeover of car auction site, BCA Marketplace.

## Significant moves in discounts and premiums

### More expensive relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	29 Nov (%)	31 Oct (%)
SQN Asset Finance Income	(12.3)	(22.4)
Montanaro UK Smaller Companies	(7.9)	(16.2)
UK Mortgages	(9.0)	(16.9)
Henderson Diversified Income	3.2	(4.4)
JPMorgan Smaller Companies	(8.8)	(15.0)

Source: Morningstar, Marten & Co

The narrowing in the discounts of **Montanaro UK Smaller Companies** and **JPMorgan Smaller Companies** was price led, as the UK seemingly averted the threat of leaving the EU without a deal. **UK Mortgages**'s shares recovered a little after a large block of shares was traded in October. **Henderson Diversified Income** has been the best performing fund in the debt sector over the past year, with its decision to keep the duration of its portfolio long paying off, given that the US central bank, the Federal Reserve, has been reducing rather than increasing interest rates this year.

### Cheaper relative to NAV (notable changes)

	% discount (-ve) or premium (+ve)	
	29 Nov (%)	31 Oct (%)
Hipgnosis Songs	1.2	13.8
Woodford Patient Capital	(47.9)	(35.5)
LMS Capital	(31.1)	(19.5)
Ceiba Investments	(36.3)	(24.8)
Crystal Amber	(20.1)	(10.9)

Source: Morningstar, Marten & Co

There was leg-up in **Hipgnosis Songs**'s NAV over November following an independent semi-annual valuation of its song portfolio. Growing pressure from investors for more information on the underlying return profile of the portfolio, for what is a relatively new asset class, is thought to be responsible for the lower share premium to NAV valuation. Cuban investment fund, **Ceiba** remains unloved. **LMS Capital** has been reviewing its management contract for several months – it recently voted to remove Gresham House as manager and become self-managed. This didn't go down well with all investors.

## Money raised and returned in November

### Money raised in November

	(£m)
HICL Infrastructure	100.0
Smithson	21.3
Finsbury Growth & Income	18.6
AVI Japan Opportunity	16.8
City of London	14.5

Source: Morningstar, Marten & Co. \*Note: based on approximate value of shares at 29/11/19

After £1bn of new money entered the sector in October, November was likely to be much quieter. There were no new issues and net outflows totalled £171m, skewed by **Boussard & Gavaudan EUR**. **HICL Infrastructure** hit its £100m target in a share placing aimed at addressing its net funding requirement, thought to stand at about £90m, and providing additional resources in respect to an existing offshore transmission owner investment. The rest of the 'top five' comprised **Smithson**, **Finsbury Growth & Income**, **AVI Japan Opportunity** and **City of London**.

### Money returned in November

	(£m)
Boussard & Gavaudan EUR	(206.4)
Scottish Mortgage	(58.8)
Edinburgh Investment	(27.2)
CVC Credit Partners Euro Opportunities GBP	(25.0)
Pershing Square	(21.8)

Source: Morningstar, Marten & Co. \*Note: based on approximate value of shares at 29/11/19

**Boussard & Gavaudan** shrank as it enacted its proposals to roll over investors who wanted to into an open-ended fund. **Scottish Mortgage** bought back nearly £60m worth of shares, following £70m of repurchases over October. **Edinburgh Investment** features for a fourth successive month – its discount has been narrowing. **CVC Credit Partners Euro Opportunities GBP** and Bill Ackman's **Pershing Square** complete the top-five.

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## November's major news stories – from our website

### Portfolio developments

- **European Trust** reported annual results, which underscore why it recently appointed Baillie Gifford as manager
- **JZ Capital** reported delayed interim results, which included the warning that it might have to significantly write-down its property portfolio
- Growth capital company, **Merian Chrysalis**, said it was nearly 70% invested after follow-on investments
- Stock selection was the catalyst behind **Aberdeen New India's** outperformance over its interim results period
- **Fidelity China Special Situations** discussed the state-of-play in the country
- We had a portfolio update from **NB Distressed Debt**
- **Montanaro European Smaller Companies** continued to perform well despite a lacklustre economic backdrop
- **BioPharma Credit** announced it had entered into two separate loan agreements to invest US\$52.5m now and up to an additional US\$32.5m over the next twelve months
- **Symphony International** announced it was making an investment in Smarten Spaces, a Singapore based Software-as-a-Service company
- **Hg Capital's** NAV surpassed £1bn over its third quarter
- **Scottish Mortgage** discussed competitive pressures faced by China's largest bellwether internet companies
- **HICL Infrastructure** is to sell two of its UK PPP projects for £52m
- **Woodford Patient Capital** slashed the value of its Industrial Heat holding

### Corporate news

- **Qannas** will leave AIM as part of an agreement to acquire a substantial portfolio of assets
- **Sequoia Economic Infrastructure** increased its dividend target
- **Polar Capital Global Financials** is exploring a continuation vehicle as its fixed-life end-date nears
- **HICL Infrastructure** announced a proposal to raise additional equity capital through the issue of new ordinary shares, with a target size of £100m
- **Greencoat Renewables** announced it was looking to raise approximately EUR100m through an initial placing to continue to take advantage of an active secondary market for wind assets in Ireland
- **JLEN Environmental** discussed the scope for further diversification of the trust
- **Schroder Income Growth's** discount widened through a challenging year that saw the trust underperform its benchmark
- **AVI Global's** underlying discount widened from 30% to 33% over the year to 30 September 2019. Poor performance from Japanese investments, knock-on from the unrest in Hong Kong and oil and gas exposure was chiefly to blame
- There was a new name for **Edinburgh Dragon**, now to be known as **Asia Dragon Trust**

### Property news

*Please refer to our dedicated monthly Real Estate Roundup for manager views, performance and news. You can access the latest edition [here](#)*

### Managers and fees

- **LMS Capital** voted to remove Gresham House as its manager

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Standardised past performance to 31 December\*\*:

	2014	2015	2016	2017	2018
Scottish Mortgage	21.4%	13.3%	16.5%	41.1%	4.6%
AIC Global Sector Average	8.8%	10.9%	22.6%	24.1%	-4.9%

Past performance is not a guide to future returns. Please remember that changing stock market conditions and currency exchange rates will affect the value of the investment in the fund and any income from it. Investors may not get back the amount invested. The Trust's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

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\*Ongoing charges as at 31.03.18. \*\*Source: Morningstar, share price, total return as at 31.12.18. Your call may be recorded for training or monitoring purposes. Issued and approved by Baillie Gifford & Co Limited, whose registered address is at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, United Kingdom. Baillie Gifford & Co Limited is the authorised Alternative Investment Fund Manager and Company Secretary of the Company. Baillie Gifford & Co Limited is authorised and regulated by the Financial Conduct Authority (FCA). The investment trusts managed by Baillie Gifford & Co Limited are listed UK companies and are not authorised and regulated by the Financial Conduct Authority.

## Income

### Investment companies announcing their full year dividends in November

Fund	Year ended	Dividend (pence)*	Change over year (%)	Revenue / earnings (pence)*	Cover
Aberdeen Latin American Income	31/08/2019	3.5	-	4.3	1.22x
Aberdeen Standard Equity Income	31/09/2019	20.5	+6.8	21.7	1.06x
Asia Dragon	31/08/2019	4.8	+20.0	4.9	1.02x
AVI Global	31/09/2019	16.5	+26.9	19.1	1.16x
Baillie Gifford Japan	31/08/2019	3.5	+337.5	3.5	1.00x
Henderson Far East Income	31/08/2019	22.4	+3.7	23.4	1.04x
Schroder Income Growth	31/08/2019	12.4	+5.1	14.2	1.15
Schroder Oriental Income	31/08/2019	10.1	+4.1	10.6	1.05x
Troy Income & Growth	31/09/2019	2.8	+3.2	2.7	0.96x
Chelverton Growth	31/08/2019	N/A <sup>a</sup>	N/A <sup>a</sup>	(2.3)	N/A <sup>a</sup>
Residential Secure Income	31/09/2019	5.0	+66.7	7.7 <sup>b</sup>	1.54 <sup>b</sup>

\* Unless otherwise specific

- a) No dividends were declared over the year
- b) Basic and diluted earnings per share

## Upcoming events

Have you checked out the Events section of our website? Here is a selection of what's coming up.

- ScotGems EGM 2019, [9 December 2019](#)
- Aberdeen Frontier Markets AGM 2019, [10 December 2019](#)
- International Biotechnology AGM 2019, [11 December 2019](#)
- Aberdeen Latin American AGM 2019, [11 December 2019](#)
- AXA Property Trust AGM 2019, [11 December 2019](#)
- Amedeo Air Four AGM 2019, [11 December 2019](#)
- International Biotechnology AGM 2019, [11 December 2019](#)
- Asia Dragon AGM 2019, [12 December 2019](#)
- Chelverton Growth AGM 2019, [12 December 2019](#)
- Schroder Oriental Income AGM 2019, [23 December 2019](#)
- Schroder Income Growth AGM 2019, [17 December 2019](#)
- Scottish Oriental Smaller Companies AGM 2019, [18 December 2019](#)
- AVI Global AGM 2019, [19 December 2019](#)
- Henderson Far East Income AGM 2020, [23 January 2020](#)
- European / Baillie Gifford European AGM 2020, [23 January 2020](#)
- Aberdeen Standard Equity Income AGM 2020, [23 January 2020](#)
- Keystone AGM 2020, [11 February 2020](#)
- Fidelity Special Values AGM 2019, [12 December 2019](#)
- CQS New City High Yield Fund AGM 2019, [13 December 2019](#)
- Master Investor – the UKs largest private investor show, [28 March 2020](#)

### Master Investor – the UKs largest private investor show – 28 March 2019



## Publications



The US market has been very highly driven by macroeconomic sentiment this year. Our annual overview note on The North American Income Trust (NAIT) includes commentary from manager Fran Radano, who says that increased market volatility creates opportunities for investors who are able to look through the noise. Over the last five years, NAIT's NAV total return performance has exceeded that of the MSCI USA Value Index and the average of its peer group.

We have initiated coverage on Henderson High Income (HHI). Since its launch in 1989, total returns have been well ahead of the wider UK market; over 14x since launch, compared to 9.4x from the MSCI UK Index. Despite its performance record and high yield, the trust continues to trade at a discount.



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28 November 2019

### The North American Income Trust

#### Macro driven market is creating opportunities

Fran Radano, the manager of North American Income Trust (NAIT), comments that the US market has been very highly driven by macroeconomic sentiment this year, with the effects of this frequently outweighing company fundamentals. He notes that, whilst it can be challenging to trade through such environments, increased market volatility creates opportunities for investors who are able to look through the noise.

Valuations have increased during the last 12 months and the broader equity market, as represented by the MSCI United States, is trading at a P/E ratio of 19.3x. This is close to its five-year high (20.4x) and above its five-year average of 18.0x. However, valuations for US value stocks, as represented by the MSCI USA Value Index, are much less demanding. Looking at the P/E ratio based on earnings forecast for the next 12 months (P12x), this index is trading in line with its five-year average of 15.5x, which is markedly below its five-year high (17.8x).

#### Above average income and long-term growth

NAIT's objective is to invest for above-average dividend income and long-term capital growth, mainly from a concentrated portfolio of S&P 500 US equities.

Year ended	Share price total return (%)	NAV total return (%)	MSCI USA Value total return (%)	S&P 500 total return (%)
31/10/16	38.8	2.9	8.8	8.8
31/10/16	42.2	40.5	35.4	33.0
31/10/17	13.8	12.8	9.9	13.8
31/10/18	7.8	8.5	7.8	11.8
31/10/19	15.8	5.2	9.7	15.9

Sector	North America
Ticker	NAIT.LN
Base currency	GBP
NAV	200.21p
Premium/discount	0.0%
Yield	2.0%



Domestic	Scotland
Inception date	25 November 1992
Manager	Fran Radano Ralph Bassett
Market cap	431.6m
Shares outstanding	143.0m
Daily vol. (1-yr. avg.)	162.8k shares
Net assets	0.26%

Click here for our most recent update note

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28 November 2019

### Henderson High Income

#### The trust that delivers

Henderson High Income Trust (HHI) launched in November 1989, with an objective of generating a high income from a portfolio consisting primarily of UK equities complemented by a modest weighting in fixed interest investments that have been used to enhance income.

Investors might have been forgiven for thinking that the second half of HHI's objective, 'maximising the prospect of capital growth', might fall by the wayside. However, by making imaginative use of the flexibility afforded by its investment trust structure, over the past 30 years, HHI has been able to deliver on both parts of its objective. Total returns have been well ahead of the wider UK market, over 14x since launch, compared to 9.4x from the MSCI UK Index.

The puzzle is that, despite an excellent long-, medium- and short-term record and a very attractive yield, the trust is trading at a discount. This is arguably more a reflection of a cyclic sector, which might improve soon, than any perceived problem with HHI.

#### High income from a diverse UK equity income portfolio

HHI invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high income stream while also maintaining the prospect of capital growth. Gearing (borrowing) is used to enhance income returns, and also to achieve capital growth over time. A portion of gearing is usually invested in fixed interest securities, which helps dampen the overall volatility of the trust.

Year ended	Share price total return (%)	NAV total return (%)	MSCI UK Index total return (%)	RCE (BISIM) total return (%)
31/10/16	8.8	8.8	0.7	0.0
31/10/16	6.4	6.8	12.9	13.5
31/10/17	8.8	14.2	10.2	11.8
31/10/18	(4.0)	(5.7)	(0.7)	(0.3)
31/10/19	6.4	6.7	6.4	6.7

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Sector	UK Equity and Bond Income
Ticker	HHI.LN
Base currency	GBP
NAV	181.70p
Premium/discount	(2.4%)
Yield	8.5%



Domestic	England and Wales
Inception date	November 1989
Manager	David Smith
Market cap	232.0m
Shares outstanding	128.0m
Daily vol. (1-yr. avg.)	130.8k shares
Net gearing	24%

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28 November 2019

### Henderson Diversified Income Trust

#### Soft landing likely...

...but caution is required. The managers of Henderson Diversified Income (HDIV) stuck their guns in the face of a consensus view of rising interest rates and inflation. This stance, and their focus on high-quality credits, has been rewarded in 2019, as central banks around the world have cut interest rates to tackle a slowing economy and investors fear a global recession. HDIV is the top-performing fund in the debt – loans and bonds sector, but perversely, is trading at a smaller premium than some of its competitors.

HDIV's managers think that the bond market may not have peaked yet. However, they are concerned about the loan market (an area that they have been deliberately avoiding), and the market for securitised loans in particular (an area that HDIV has never had exposure to). The allocation to investment grade bonds has been increased.

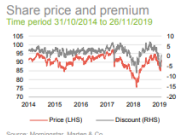
#### High income from a flexible fixed income portfolio

HDIV's objective is to seek income and capital growth such that, on a rolling annual basis, the total return on the NAV exceeds three-month sterling LIBOR plus 2%. It invests in a diversified portfolio of global assets including secured loans, government bonds, high yield (sub-investment grade) corporate bonds, unsecured corporate bonds, investment grade corporate bonds and asset-backed securities. The trust may also invest in high-yielding equities and derivatives. Gearing (borrowing and synthetic – see page 8) is used to enhance returns.

Dividends, which make up the bulk of returns for investors, are paid quarterly.

Year ended	Share price total return (%)	NAV total return (%)	Three-month LIBOR plus 2% (%)
31/10/15	4.8	5.3	2.6
31/10/16	7.6	7.6	2.6
31/10/17	9.4	7.7	2.3
31/10/18	(9.4)	(1.1)	2.8
31/10/19	10.1	12.6	2.9

Sector	Debt – loans & bonds
Ticker	HDIV.LN
Base currency	GBP
Price	91.0p
NAV	96.1p
Premium/discount	1.0%
Yield	4.8%



Domestic	United Kingdom
Inception date*	19 July 2007
Manager	John Piatullo and Jenna Bernard
Market cap	172.0m
Shares outstanding	189.618m
Daily vol. (1-yr. avg.)	340,193 shares
Net gearing*	25.6%

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Henderson Diversified Income Trust (HDIV) is the top-performing fund in the debt – loans and bonds sector, but perversely, is trading at a smaller premium than some of its competitors. In our recently published annual overview note, we explore the allocation decisions that have allowed HDIV to outperform its peers.

Our update note on Geiger Counter (GCL) explores the potential for a resurgence in the uranium price, as more nuclear reactors come online (particularly in China and India), while major producers hold off from returning mothballed to production.



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Update | Investment companies

21 November 2019

### Geiger Counter

#### Supply deficit unsustainable

2019 saw a strong recovery in the uranium price. This has stalled this year, but with the uranium market now seeing more demand than supply, Geiger Counter's (GCL's) managers see the potential for a resurgence in the uranium price, as more nuclear reactors come online (particularly in China and India), while major producers hold off from returning mothballed mines to production.

An announcement by the Trump administration in July, in relation to its section 232 investigation into the uranium security of supply, has created uncertainty for US-based customers. They are unsure whether there might be import quotas, for example – see page 3. This has put a brake on purchases and is suppressing the uranium price. However, it is also leading to significant pent-up demand, creating the potential for a sharp reversal of the uranium price once things are clarified. The managers see the current situation as unsustainable.

#### Capital growth from a diversified global portfolio of uranium stocks

GCL aims to provide investors with capital growth by investing in a portfolio of securities of companies involved in the exploration, development and production of energy, as well as related service companies. Its main focus is the uranium sector, but up to 30% of assets can be invested in other resource-related companies. These include, but are not limited to, shares, convertibles, fixed income securities and warrants.

Year ended	Share price total return (%)	NAV total return (%)	USAX total return (%)	Commodity price total return (%)	Global X Uranium ETF total return (%)
31/10/16	(34.3)	(33.2)	(36.7)	(13.9)	(33.3)
31/10/16	35.7	20.3	35.5	(29.3)	3.3
31/10/17	(7.8)	(16.3)	9.5	(4.1)	(9.2)
31/10/18	17.1	17.7	18.0	38.4	4.7
31/10/19	(20.0)	(32.4)	(16.8)	(17.4)	(10.8)

Click here for our initiation note

Sector	Commodities and natural resources
Ticker	GCL.LN/GCL.LN
Base currency	GBP
Price	14.17p
NAV	15.81p
Premium/discount	8.1%
Yield	N/A



Domestic	Jersey
Inception date	7 October 1994
Manager	Mark Widdows and Robert Grayhead
Market cap (incl. debt)	12.3m USD
Shares outstanding	83.0m USD
Daily vol. (1-yr. avg.)	153.2k shares
Net gearing	23.3%

Click here for our initiation note

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20 November 2019

### Aberdeen Frontier Markets

#### Significant latent value?

Aberdeen Frontier Markets (AFMC)'s manager has been re-positioning the portfolio by reducing exposure to Sub-Saharan Africa, adding companies in new markets and looking to capture more of the momentum in markets. There is a now a greater tilt to the Asia Pacific region, where Vietnam accounts for over a quarter of the portfolio. AFMC holds a concentrated selection of companies that offer the prospect of double-digit earnings growth paired with inexpensive valuations (the weighted average current year price/earnings (P/E) ratio of portfolio companies is 10.0x).

AFMC exhibits a low correlation with its benchmark as well as to emerging (where 95% of returns can be attributed to moves in the benchmark) and developed (61%) equity markets.

The manager feels that a slowdown in the global economy could increase flows into frontier markets (where growth is largely driven by domestic factors) as investors search elsewhere for returns.

#### Direct investment in frontier markets

AFMC aims to generate long-term capital growth, primarily from investment in equity and equity-related securities of companies listed in, or operating in, frontier markets. Frontier market countries may include countries within the MSCI Frontier Markets Index or additional countries that the investment manager deems to be such.

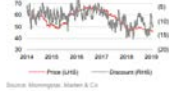
Year ended	Share price TR (%)	NAV TR (%)	MSCI Frontier Markets TR (%)	MSCI Emerging Markets TR (%)	MSCI World TR (%)
31/10/15	(19.2)	(15.7)	(14.4)	(11.1)	6.0
31/10/16	29.1	23.4	23.2	28.7	28.8
31/10/17	(9.8)	9.0	17.7	16.7	13.8
31/10/18	(24.0)	(16.1)	(8.4)	(8.7)	5.7
31/10/19	0.6	(6.5)	9.6	10.8	11.8

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Sector	Global emerging markets
Ticker	AFMC LN
Base currency	GBP
Price	43.5p
NAV	31.66p
Premium/discount	(11.96%)
Yield	3.4%

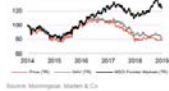
#### Share price and discount

Time period 31/10/2014 to 18/11/2019



#### Performance over five years

Time period 31/10/2014 to 31/10/2019



Source: Morningstar, Marten & Co

Domestic: United Kingdom

Inception date: 15 June 2007

Manager: Mark Douglas, James and Gabriel Dudgeon

Market cap (GBPm): 51.7

Shares outstanding: 71.5m

Daily vol. (1 yr. avg.): 151,768 shares

Net gearing: Nil

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Aberdeen Frontier Markets (AFMC)'s manager has been re-positioning the portfolio by reducing exposure to Sub-Saharan Africa, adding companies in new markets and looking to capture more of the momentum in markets. The trust exhibits a low correlation with its benchmark as well as to emerging markets. We explore the potential for performance to turn around,

Our monthly real estate roundup includes performance data, valuation moves, corporate activity and quotes from chairmen and managers.

## QuotedData

### Monthly roundup | Real estate

November 2019

#### Winners and losers in October

Best performing companies in price terms in October (%)		Worst performing companies in price terms in October (%)	
Capital & Regional	20.9	Duggan Capital Investors	(13.8)
ICI REIT	18.7	U and I Group	(11.6)
Trust Centre Securities	15.4	Macau Property Opportunities	(8.6)
Homebrew Holdings	13.9	GRT Real Estate Income Group	(8.5)
Countrywide	10.9	Navet Property Group	(8.0)
Big Yellow Group	9.9	Triple Point Social Housing REIT	(5.5)
Landed Securities	9.6	Robson REIT	(4.8)
Capital & Counties	8.4	Secure Income REIT	(4.2)
Primary Health Properties	6.6	Goldsmith Real Estate Investments	(4.1)
Lombard's Properties	5.8	LU REIT	(3.7)

#### Capital & Regional share price YTD



Source: Morningstar, Marten & Co

#### October was another strong month for certain real focused property companies.

For the second month, Capital & Regional topped the list for share price growth: up 30.5% in the month - admittedly off a low base. The shipping centre landlord's shares continued to rise after it agreed a deal to sell a majority stake to South African REIT, Growthpoint Properties. In the three-month period to the end of October, the company's share price has risen 89.7%. Central London landlord Capital & Counties' shares have bounced after news that it was in discussions to sell its Earl's Court development site to a private equity buyer. Reports that it had also received a bid for the whole company, which also includes extensive holdings in Covent Garden, also broke in October. ICI REIT's shares rose 18.7% in the month after it announced full year results that included shedding a UK mall portfolio that had breached its debt covenants. Trust Centre Securities, which outlined its own plans to further reduce its exposure to retail in full year results at the end of September, saw its share price jump 10.4% in October. Industrial specialist Homebrew Holdings and logistics landlord Lombard's also made the top 10 as the sector continues to perform strongly.

#### U and I Group share price YTD



Source: Morningstar, Marten & Co

#### U and I Group was among the worst performing UK real estate companies in October, in terms of share price growth.

This follows a jump in its share price in the month of September that saw it make the top 10 chart for best performing real estate companies. Supported housing provider Triple Point Social Housing REIT saw its share price drop off slightly in October after yet another negative regulatory judgement was published on one of its tenants. During the month, the company made a series of acquisitions and extended its revolving credit facility to £100m. Dublin office and residential landlord, Robson REIT, saw its shares fall slightly as too did Secure Income REIT. It has been a relatively quiet couple of months for Secure Income REIT following the £347m sale of a hospital portfolio in the summer. LU REIT, which owns a portfolio of long-let, inflation-linked properties, also crept onto the bottom 10 performing companies list despite making further acquisitions progress in the month. Pan-African property company GRT Real Estate Income Group was, for the second month running, on the list, while European office investor Goldsmith's saw shares fall after raising £204.5m in a share placing.

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## QuotedData

BY MARTEN & CO

AN INDEPENDENT GUIDE TO  
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Aberdeen Standard Investments JUPITER POLAR CAPITAL

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# QuotedData

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123a Kings Road, London SW3 4PL

020 3691 9430

www.quoteddata.com

Registered in England & Wales number 07981621

2<sup>nd</sup> Floor Heathmans House

19 Heathmans Road, London SW6 4TJ

Edward Marten  
(em@martenandco.com)

Alistair Harkness  
(ah@martenandco.com)

David McFadyen  
(dm@martenandco.com)

Nick Potts  
(np@martenandco.com)

James Carthew  
(jc@martenandco.com)

Matthew Read  
(mr@martenandco.com)

Shonil Chande  
(sc@martenandco.com)

Richard Williams  
(rw@martenandco.com)

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