

Company Number: 34871

# **THE CITY OF LONDON INVESTMENT TRUST PLC**

## **HALF-YEAR REPORT (unaudited) for the half-year ended 31 December 2018**

# THE CITY OF LONDON INVESTMENT TRUST PLC

## Unaudited Results for the Half-Year Ended 31 December 2018

### INVESTMENT OBJECTIVE

The Company's objective is to provide long-term growth in income and capital, principally by investment in equities listed on the London Stock Exchange. The Board continues to recognise the importance of dividend income to shareholders.

### PERFORMANCE HIGHLIGHTS

	As at 31 December 2018	As at 30 June 2018
Net asset value per ordinary share	<b>376.6p</b>	429.2p
Premium	<b>2.2%</b>	0.7%
Net asset value per ordinary share (debt at fair value)	<b>372.6p</b>	424.3p
Premium (debt at fair value)	<b>3.3%</b>	1.8%
Ordinary share price	<b>385.0p</b>	432.0p
Gearing (at par value)	<b>11.9%</b>	7.7%

<b>Dividend yields</b>	As at 31 December 2018	As at 30 June 2018
The City of London Investment Trust plc	<b>4.7%</b>	4.1%
AIC UK Equity Income Sector (Benchmark)	<b>4.2%</b>	3.7%
FTSE All-Share Index	<b>4.5%</b>	3.6%
UK Equity Income OEIC Sector	<b>4.8%</b>	4.1%

Sources: Morningstar for the AIC, Datastream

### Total return performance to 31 December 2018

(including dividends reinvested and excluding transaction costs)	6 months %	1 year %	3 years %	5 years %	10 years %
Net asset value per ordinary share <sup>1</sup>	-10.2	-10.1	11.1	23.5	167.9
AIC UK Equity Income sector average – net asset value <sup>2</sup>	-11.8	-10.5	10.9	21.8	168.4
Ordinary share price	-8.9	-8.5	12.6	24.7	185.2
FTSE All-Share Index	-11.0	-9.5	19.5	22.1	138.4
UK Equity Income OEIC sector average <sup>3</sup>	-12.1	-10.5	8.6	18.9	132.9

Sources: Morningstar for the AIC, Janus Henderson, Datastream

1. Using cum income fair value NAV

2. AIC UK Equity Income sector size weighted average NAV total return (shareholders' funds)

3. The IA peer group average is based on mid-day NAV whereas the returns of the investment trust are calculated using close of business NAV

## INTERIM MANAGEMENT REPORT

### CHAIRMAN'S STATEMENT

#### Net Asset Value Total Return

The second half of 2018 was a difficult six months for equities with tightening monetary conditions globally leading to slower economic growth. In the UK, the Bank of England increased the Base Rate from 0.5% to 0.75%. Continuing uncertainty about the outcome of the negotiations to exit the European Union adversely affected investor confidence.

City of London produced a negative NAV total return of 10.2% but we did outperform the FTSE All-Share Index (negative 11.0%), the AIC UK Equity Income sector average (negative 11.8%) and the IA UK Equity OEIC sector average (negative 12.1%). Stock selection contributed positively by 2.2 percentage points to City of London's performance relative to the FTSE All-Share Index but gearing detracted by 1.2 percentage points.

The biggest sector contributor was fixed line telecommunications with our holding of Verizon Communications being particularly beneficial. In the pharmaceutical sector, our stakes in Merck and Novartis were strong contributors balanced by the adverse effect of being under represented in AstraZeneca and not holding Shire. In general, international defensive stocks outperformed and our holdings in Nestlé, RELX and Coca-Cola were significant contributors. By contrast, our stakes in housebuilders and Real Estate Investment Trusts (REITs) were notable detractors over the six months.

#### Earnings and Dividends

City of London's revenue earnings per share rose by 10.8% compared with the same period last year. So far this financial year, City of London has declared two interim dividends of 4.55p each. City of London's diverse portfolio, strong cash flow and revenue reserve give the Board confidence that it will be able to increase the dividend for a fifty-third consecutive year. The quarterly rate will be reviewed by the Board before the third interim is declared in April 2019.

#### Expenses

A new management fee rate has been negotiated with our manager, Janus Henderson Investors. With effect from 1 January 2019, the fee rate has been reduced to 0.325% per annum of net assets. On the current level of assets, this equates to a reduction of around 10% from the previous fee arrangements which were 0.365% for the first £1 billion of net assets and 0.35% for net assets above £1 billion. As a result of the change in the management fee rate, the ongoing charge for the year to 30 June 2019 is expected to be lower than the previous financial year when it was 0.41%.

#### Material events and transactions during the period

A total of 6,825,000 new shares were issued in the six months to 31 December 2018 at a premium to net asset value.

The proceeds were invested in a mixture of additions to existing holdings as well as two new holdings. Notable additions were made in the mining sector to Rio Tinto and BHP which ended the period as our eleventh and twelfth largest holdings. Both companies are generating significant cash flow, being disciplined on capital expenditure and paying attractive dividends. The new holdings were St James's Place, which provides financial services and advice, and Ferguson, which is UK listed with most of its business in the US where it is a leading distributor of building products. There were five complete disposals of holdings: the industrial groups Melrose and Low & Bonar, Swisscom (telecommunications), N Brown (retailer) and Supermarket Income REIT.

Since the period end, a further 6,225,000 shares have been issued.

Gearing increased during the period from 7.7% to 11.9% as advantage was taken of improved share price valuations with the overall weakness in the equity market. At 31 December 2018, all the fixed rate borrowings were fully invested and £38 million of the £120 million bank facility was drawn down.

#### Outlook for the six months to 30 June 2019

The world economy is still growing, albeit at a slower pace than many predicted a year ago. As a result, the trajectory of US interest rate increases has flattened significantly which is positive for investor sentiment. The lower oil price will also be helpful for consumers.

There is still considerable uncertainty about the outcome of the UK's negotiations to exit the European Union. If there is a disorderly departure, it is likely that sterling will fall which would be beneficial for the many UK listed companies with overseas operations.

Equity valuations reflect the uncertainty about both Brexit and the global economic outlook. Dividends across City of London's portfolio are expected on average to continue to grow at a satisfactory rate, yet the dividend yield of our portfolio remains considerably in excess of the yield in most areas of fixed interest and on bank deposit rates.

**Philip Remnant CBE**  
**Chairman**  
**14 February 2019**

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Portfolio and market price
- Investment activity, gearing and performance
- Tax and regulatory
- Operational

Information on these risks and how they are managed are given in the Annual Report for the year ended 30 June 2018. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 "Interim Financial Reporting";
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**For and on behalf of the Board**  
**Philip Remnant CBE**  
**Chairman**  
**14 February 2019**

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## INCOME STATEMENT

	(Unaudited) Half-year ended 31 December 2018			(Unaudited) Half-year ended 31 December 2017			(Audited) Year ended 30 June 2018		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(180,861)	(180,861)	-	68,500	68,500	-	31,889	31,889
Income from investments held at fair value through profit or loss	31,871	-	31,871	27,774	-	27,774	69,976	-	69,976
Other interest receivable and similar income	131	-	131	90	-	90	254	-	254
<b>Gross revenue and capital gains/(losses)</b>	<b>32,002</b>	<b>(180,861)</b>	<b>(148,859)</b>	27,864	68,500	96,364	70,230	31,889	102,119
Management fees	(767)	(1,790)	(2,557)	(791)	(1,846)	(2,637)	(1,570)	(3,664)	(5,234)
Other administrative expenses	(389)	-	(389)	(406)	-	(406)	(708)	-	(708)
<b>Net return/(loss) before finance costs and taxation</b>	<b>30,846</b>	<b>(182,651)</b>	<b>(151,805)</b>	26,667	66,654	93,321	67,952	28,225	96,177
Finance costs	(1,158)	(2,517)	(3,675)	(967)	(2,072)	(3,039)	(2,037)	(4,385)	(6,422)
<b>Net return/(loss) before taxation</b>	<b>29,688</b>	<b>(185,168)</b>	<b>(155,480)</b>	25,700	64,582	90,282	65,915	23,840	89,755
Taxation on net (loss)/return	(381)	-	(381)	(331)	-	(331)	(1,236)	-	(1,236)
<b>Net return/(loss) after taxation</b>	<b>29,307</b>	<b>(185,168)</b>	<b>(155,861)</b>	25,369	64,582	89,951	64,679	23,840	88,519
<b>Return/(loss) per ordinary share (note 2)</b>	<b>8.20p</b>	<b>(51.79p)</b>	<b>(43.59p)</b>	7.40p	18.84p	26.24p	18.69p	6.89p	25.58p

The columns of this statement headed "Total" represent the Company's Income Statement, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2018 (unaudited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2018	88,603	520,701	2,707	855,851	53,135	1,520,997
Net (loss)/return after taxation	-	-	-	(185,168)	29,307	(155,861)
Issue of 6,825,000 new ordinary shares	1,706	26,007	-	-	-	27,713
Fourth interim dividend (4.55p per share) for year ended 30 June 2018 paid 31 August 2018	-	-	-	-	(16,175)	(16,175)
First interim dividend (4.55p per share) for year ended 30 June 2019 paid 30 November 2018	-	-	-	-	(16,319)	(16,319)
<b>At 31 December 2018</b>	<b>90,309</b>	<b>546,708</b>	<b>2,707</b>	<b>670,683</b>	<b>49,948</b>	<b>1,360,355</b>
Half-year ended 31 December 2017 (Unaudited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2017	84,853	461,753	2,707	832,011	48,598	1,429,922
Net return after taxation	-	-	-	64,582	25,369	89,951
Issue of 5,375,000 new ordinary shares	1,344	21,554	-	-	-	22,898
Fourth interim dividend (4.30p per share) for year ended 30 June 2017 paid 31 August 2017	-	-	-	-	(14,648)	(14,648)
First interim dividend (4.30p per share) for year ended 30 June 2018 paid 30 November 2017	-	-	-	-	(14,796)	(14,796)
<b>At 31 December 2017</b>	<b>86,197</b>	<b>483,307</b>	<b>2,707</b>	<b>896,593</b>	<b>44,523</b>	<b>1,513,327</b>
Year ended 30 June 2018 (Audited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2017	84,853	461,753	2,707	832,011	48,598	1,429,922
Net return after taxation	-	-	-	23,840	64,679	88,519
Issue of 15,000,000 new ordinary shares	3,750	58,948	-	-	-	62,698
Fourth interim dividend (4.30p per share) for year ended 30 June 2017 paid 31 August 2017	-	-	-	-	(14,648)	(14,648)
First interim dividend (4.30p per share) for year ended 30 June 2018 paid 30 November 2017	-	-	-	-	(14,796)	(14,796)
Second interim dividend (4.30p per share) for year ended 30 June 2018 paid 28 February 2018	-	-	-	-	(14,826)	(14,826)
Third interim dividend (4.55p per share) for year ended 30 June 2018 paid 31 May 2018	-	-	-	-	(16,016)	(16,016)
Unclaimed dividends over 12 years old	-	-	-	-	144	144
<b>At 30 June 2018</b>	<b>88,603</b>	<b>520,701</b>	<b>2,707</b>	<b>855,851</b>	<b>53,135</b>	<b>1,520,997</b>

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 December 2018 £'000	(Unaudited) 31 December 2017 £'000	(Audited) 30 June 2018 £'000
<b>Investments held at fair value through profit or loss</b> (note 5)			
Listed at market value in the United Kingdom	1,375,669	1,447,500	1,454,876
Listed at market value overseas	146,760	182,956	183,031
Investment in subsidiary undertakings	347	347	347
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	<b>1,522,776</b>	1,630,803	1,638,254
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<b>Current assets</b>			
Debtors	6,391	5,684	14,493
Cash at bank	-	8,226	68
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	<b>6,391</b>	13,910	14,561
	-----	-----	-----
<b>Creditors: amounts falling due within one year</b>	<b>(43,087)</b>	(5,702)	(6,105)
	-----	-----	-----
<b>Net current (liabilities)/assets</b>	<b>(36,696)</b>	8,208	8,456
	-----	-----	-----
<b>Total assets less current liabilities</b>	<b>1,486,080</b>	1,639,011	1,646,710
	-----	-----	-----
<b>Creditors: amounts falling due after more than one year</b>	<b>(125,725)</b>	(125,684)	(125,713)
	-----	-----	-----
<b>Net assets</b>	<b>1,360,355</b>	1,513,327	1,520,997
	=====	=====	=====
<b>Capital and reserves</b>			
Called-up share capital (note 3)	90,309	86,197	88,603
Share premium account	546,708	483,307	520,701
Capital redemption reserve	2,707	2,707	2,707
Other capital reserves	670,683	896,593	855,851
Revenue reserve	49,948	44,523	53,135
	-----	-----	-----
<b>Equity shareholders' funds</b>	<b>1,360,355</b>	1,513,327	1,520,997
	=====	=====	=====
<b>Net asset value per ordinary share - basic and diluted</b> (note 4)	<b>376.6p</b>	438.9p	429.2p
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

## NOTES

### 1. Accounting Policy – Basis of Preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts”, which was updated by the Association of Investment Companies in February 2018 with consequential amendments.

For the period under review the Company’s accounting policies have not varied from those described in the annual report for the year ended 30 June 2018. These financial statements have been neither audited nor reviewed by the Company’s auditors.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity’s investments are highly liquid and are carried at market value; and where a statement of changes in equity is provided.

### 2. Return per Ordinary Share

	(Unaudited) Half-year ended 31 December 2018 £’000	(Unaudited) Half-year ended 31 December 2017 £’000	(Audited) Year ended 30 June 2018 £’000
The return per ordinary share is based on the following figures:			
Revenue return	29,307	25,369	64,679
Capital (loss)/return	(185,168)	64,582	23,840
	-----	-----	-----
<b>Total</b>	<b>(155,861)</b>	89,951	88,519
	=====	=====	=====
Weighted average number of ordinary shares in issue for each period	357,545,059	342,759,597	346,003,431
Revenue return per ordinary share	8.20p	7.40p	18.69p
Capital (loss)/return per ordinary share	(51.79p)	18.84p	6.89p
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<b>Total (loss)/return per ordinary share</b>	<b>(43.59p)</b>	26.24p	25.58p
	=====	=====	=====

The Company does not have any dilutive securities, therefore, the basic and diluted returns per share are the same.

### 3. Share Capital

During the half-year ended 31 December 2018, 6,825,000 ordinary shares were issued for total proceeds of £27,713,000 (half-year ended 31 December 2017: 5,375,000 ordinary shares issued for total proceeds of £22,898,000; year ended 30 June 2018: 15,000,000 ordinary shares issued for total proceeds of £62,698,000). The number of ordinary shares in issue at 31 December 2018 was 361,234,868.

### 4. Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £1,360,355,000 (31 December 2017: £1,513,327,000; 30 June 2018: £1,520,997,000) and on 361,234,868 ordinary shares (31 December 2017: 344,784,868; 30 June 2018: 354,409,868) being the number of ordinary shares at the period end.

### 5. Financial instruments

The financial assets and financial liabilities are either carried in the statement of financial position at their fair value or the statement of financial position amount is a reasonable approximation of fair value (debtors and creditors falling due within one year). The debenture stock, secured notes, preference stock and preferred ordinary stock are carried in the statement of financial position at par.

At 31 December 2018, the fair value of the debenture stocks was £44,651,000 (31 December 2017: £47,510,000; 30 June 2018: £46,104,000).

The aggregate fair value of the preferred and preference stock was £2,630,000 (31 December 2017: £2,732,000; 30 June 2018: £2,717,000).

As at 31 December 2018, the fair value of the secured notes was estimated to be £92,803,000 (31 December 2017: £95,702,000; 30 June 2018: £94,033,000).

The valuations of the debenture stocks are obtained from brokers based on market prices. The valuations of the preferred and preference stock are from the Daily Official List quotations. The valuation of the secured loan notes is calculated using a discount rate which reflects the yield on a UK gilt of similar maturity plus a suitable credit spread.

The debenture stock, preference stock and preferred ordinary stock are categorised as level 1 in the fair value hierarchy. The secured notes are categorised as level 3 in the fair value hierarchy.

The table below sets out fair value measurements of the investments using the FRS 102 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: The unadjusted quoted prices in an active market for identical assets or liabilities 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; and

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

#### Financial assets at fair value through profit or loss at 31 December 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,522,429	-	347	1,522,776
<b>Total</b>	<b>1,522,429</b>	<b>-</b>	<b>347</b>	<b>1,522,776</b>

#### Financial assets at fair value through profit or loss at 31 December 2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,630,456	-	347	1,630,803
Total financial assets carried at fair value	1,630,456	-	347	1,630,803

#### Financial assets at fair value through profit or loss at 30 June 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,637,907	-	347	1,638,254
Total financial assets carried at fair value	1,637,907	-	347	1,638,254

The valuation techniques used by the Company are explained in the accounting policies note 1 in the Company's Annual Report for the year ended 30 June 2018.

## 6. Transaction Costs

Purchase transaction costs for the half-year ended 31 December 2018 were £484,000 (half-year ended 31 December 2017: £545,000; year ended 30 June 2018: £1,167,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the half-year ended 31 December 2018 were £20,000 (half-year ended 31 December 2017: £35,000; year ended 30 June 2018: £75,000).

## 7. Dividends

A first interim dividend of 4.55p per ordinary share was paid on 30 November 2018. The second interim dividend of 4.55p per ordinary share (declared on 18 December 2018) will be paid on 28 February 2019 to shareholders on the register on 25 January 2019. The Company's shares went ex-dividend on 24 January 2019.

## 8. Related Party Transactions

Other than the relationship between the Company and its Directors, the provision of services by Janus Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there have been no material transactions with this related party affecting the financial position of the Company during the period under review.

## 9. Going Concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

## 10. Comparative Information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 30 June 2018 are extracted from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

## 11. General information

### Company Status

The City of London Investment Trust plc is UK domiciled investment trust company.

The SEDOL/ISIN number is GB0001990497. The London Stock Exchange (TIDM) Code is CTY.

Global Intermediary Identification Number (GIIN) is S55HF7.99999.SL.826.

Legal Entity Identifier number (LEI) is 213800F3NOTF47H6AO55.

### Company Registration Number

UK: 00034871

New Zealand: 1215729

### Registered Office

201 Bishopsgate, London EC2M 3AE

### Directors and Secretary

The Directors of the Company are Philip Remnant CBE (Chairman), Samantha Wren (Audit Committee Chair), Simon Barratt (Senior Independent Director), Robert Edward (Ted) Holmes and Martin Morgan.

The Corporate Secretary is Henderson Secretarial Services Limited, represented by Alix Nicholson ACIS.

### Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly fact sheets and data, copies of announcements, reports and details of general meetings can be found at [www.cityinvestmenttrust.com](http://www.cityinvestmenttrust.com)

## 12. Half-Year Report

An abbreviated version of the half-year report, the 'Update', will be posted to shareholders in February 2019. The Update will also be available on the Company's website [www.cityinvestmenttrust.com](http://www.cityinvestmenttrust.com) or in hard copy from the Company's registered office.

**FORTY LARGEST INVESTMENTS**

<b>Company</b>	<b>Market value 31 December 2018 £'000</b>	<b>Company</b>	<b>Market value 31 December 2018 £'000</b>
Royal Dutch Shell	99,548	Reckitt Benckiser	21,877
HSBC	67,994	Croda International	21,534
BP	57,391	Schroders	19,305
Diageo	55,336	Compass	19,010
Unilever	47,751	Hiscox	18,341
RELX	47,274	Carnival	18,251
Prudential	40,713	Imperial Brands	17,879
Lloyds Banking	39,302	St James's Place	17,650
British American Tobacco	37,900	Nestlé	16,286
GlaxoSmithKline	37,727	SSE	16,222
Rio Tinto	30,158	BT	16,123
BHP	27,792	Merck	15,775
Verizon Communications	26,481	Persimmon	15,608
Vodafone	25,764	British Land	14,663
AstraZeneca	24,870	Barclays	14,074
Taylor Wimpey	24,525	Novartis	13,920
Land Securities	24,132	Anglo American	13,818
National Grid	23,943	Direct Line Insurance	13,528
BAE Systems	23,659	Spirax-Sarco Engineering	12,613
Phoenix	23,041	Whitbread	12,482

**These investments total £1,114,260,000 or 73.2% of the portfolio**

Convertibles and all classes of equity in any one company are treated as one investment

**SECTOR EXPOSURE**

As a percentage of the investment portfolio excluding cash

	<b>%</b>
Financials	24.0
Consumer Goods	18.4
Consumer Services	12.3
Oil & Gas	10.3
Industrials	9.6
Health Care	7.1
Basic Materials	6.8
Telecommunications	5.9
Utilities	4.3
Technology	1.3
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<b>Total</b>	<b>100.0</b>
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Source: Janus Henderson

**INVESTMENTS**

<b>Company</b>	<b>Market Value 31 December 2018 £'000</b>	<b>Company</b>	<b>Market Value 31 December 2018 £'000</b>
<b>OIL &amp; GAS</b>		<b>Support Services</b>	
Oil & Gas Producers		Ferguson	10,451
Royal Dutch Shell	99,548	Paypoint	4,045
BP	57,391	De La Rue	3,934
	<b>156,939</b>	Connect	2,137
<b>Total Oil &amp; Gas</b>	<b>156,939</b>	<b>Total Industrials</b>	<b>20,567</b>
<b>BASIC MATERIALS</b>		<b>CONSUMER GOODS</b>	
<b>Chemicals</b>		<b>Beverages</b>	
Croda International	21,534	Diageo	55,336
Johnson Matthey	5,658	Coca-Cola <sup>1</sup>	11,831
Victrix	5,344	Britvic	11,410
	<b>32,536</b>		<b>78,577</b>
<b>Mining</b>		<b>Food Producers</b>	
Rio Tinto	30,158	Nestlé <sup>1</sup>	16,286
BHP	27,792	Tate & Lyle	10,005
Anglo American	13,818		<b>26,291</b>
	<b>71,768</b>	<b>Household Goods &amp; Home Construction</b>	
<b>Total Basic Materials</b>	<b>104,304</b>	Taylor Wimpey	24,525
<b>INDUSTRIALS</b>		Reckitt Benckiser	21,877
<b>Aerospace &amp; Defence</b>		Persimmon	15,608
BAE Systems	23,659	Berkeley	10,026
Meggitt	9,086		<b>72,036</b>
	<b>32,745</b>	<b>Personal Goods</b>	
<b>Construction &amp; Materials</b>		Unilever	47,751
Ibstock	10,041		<b>47,751</b>
Marshalls	4,570	<b>Tobacco</b>	
	<b>14,611</b>	British American Tobacco	37,900
<b>Electronic &amp; Electrical Equipment</b>		Imperial Brands	17,879
Halma	11,998		<b>55,779</b>
Renishaw	8,776	<b>Total Consumer Goods</b>	<b>280,434</b>
XP Power	3,157	<b>HEALTH CARE</b>	
	<b>23,931</b>	<b>Health Care Equipment &amp; Services</b>	
<b>General Industrials</b>		Smith & Nephew	9,617
Swire Pacific <sup>1</sup>	8,376		<b>9,617</b>
Siemens <sup>1</sup>	7,424	<b>Pharmaceuticals &amp; Biotechnology</b>	
Smiths	6,893	GlaxoSmithKline	37,727
	<b>22,693</b>	AstraZeneca	24,870
<b>Industrial Engineering</b>		Merck <sup>1</sup>	15,775
Spirax-Sarco Engineering	12,613	Novartis <sup>1</sup>	13,920
IMI	8,587	Johnson & Johnson <sup>1</sup>	6,969
Rotork	3,962		<b>99,261</b>
	<b>25,162</b>	<b>Total Health Care</b>	<b>108,878</b>
<b>Industrial Transportation</b>			
Royal Mail	6,738		
	<b>6,738</b>		

Company	Market Value 31 December 2018 £'000
<b>CONSUMER SERVICES</b>	
<b>Food &amp; Drug Retailers</b>	
J Sainsbury	10,110
Greggs	6,397
	<b>16,507</b>
<b>General Retailers</b>	
Marks & Spencer	7,416
Kingfisher	5,926
Halfords	3,820
DFS	2,182
Pendragon	1,575
	<b>20,919</b>
<b>Media</b>	
RELX	47,274
ITV	4,732
Daily Mail & General	3,163
	<b>55,169</b>
<b>Travel &amp; Leisure</b>	
Compass	19,010
Carnival	18,251
Whitbread	12,482
TUI	12,099
Greene King	11,629
Cineworld	5,559
Go-Ahead	5,406
Ten Entertainment	4,560
Young	3,700
William Hill	1,958
	<b>94,654</b>
<b>Total Consumer Services</b>	<b>187,249</b>
<b>TELECOMMUNICATIONS</b>	
<b>Fixed Line Telecommunications</b>	
Verizon Communications <sup>1</sup>	26,481
BT	16,123
Orange <sup>1</sup>	7,838
Manx Telecom	2,464
	<b>52,906</b>
<b>Mobile Telecommunications</b>	
Vodafone	25,764
Deutsche Telekom <sup>1</sup>	10,501
	<b>36,265</b>
<b>Total Telecommunications</b>	<b>89,171</b>
<b>UTILITIES</b>	
<b>Electricity</b>	
SSE	16,222
	<b>16,222</b>

Company	Market Value 31 December 2018 £'000
<b>Gas, Water &amp; Multiutilities</b>	
National Grid	23,943
Severn Trent	11,468
Centrica	7,158
United Utilities	6,258
	<b>48,827</b>
<b>Total Utilities</b>	<b>65,049</b>
<b>FINANCIALS</b>	
<b>Banks</b>	
HSBC	67,994
Lloyds Banking	39,302
Barclays	14,074
Nationwide Building Society 10.25%	9,113
	<b>130,483</b>
<b>Financial Services</b>	
Schroders	19,305
Brewin Dolphin	9,775
TP ICAP	5,763
IG	4,389
	<b>39,232</b>
<b>Life Assurance</b>	
Prudential	40,713
Phoenix	23,041
St James's Place	17,650
Aviva	6,262
	<b>87,666</b>
<b>Non-life Insurance</b>	
Hiscox	18,341
Direct Line Insurance	13,528
Sabre Insurance	8,277
Munich Re <sup>1</sup>	7,869
	<b>48,015</b>
<b>Real Estate Investment Trusts</b>	
Land Securities	24,132
British Land	14,663
Segro	12,361
Unibail-Rodamco-Westfield <sup>1</sup>	3,742
Hammerson	3,294
Redefine International	1,204
	<b>59,396</b>
<b>Total Financials</b>	<b>364,792</b>
<b>TECHNOLOGY</b>	
<b>Software &amp; Computer Services</b>	
Sage	9,418
Microsoft <sup>1</sup>	9,748
	<b>19,166</b>
<b>Total Technology</b>	<b>19,166</b>
<b>TOTAL INVESTMENTS</b>	<b>1,522,429</b>

<sup>1</sup> Overseas listed

*Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.*