# Aurora Investment Trust plc

## Half Yearly Financial Report

For the six months ended 30 June 2018

Aurora
INVESTMENT TRUST

## Objective

To provide shareholders with long term returns through capital and income growth by investing predominantly in a portfolio of UK listed companies.

## Performance

| | At 30 June 2018 (unaudited) | At 30 June 2017 (unaudited) | At 31 December 2017 (audited) |
|---|---|---|---|
| Net Asset Value ('NAV') per share | 215.74p | 191.36p | 205.72p |
| Share price | 219.00p | 196.00p | 208.00p |
| Premium[1] | 1.51% | 2.42% | 1.11% |
| FTSE All-Share Index | 7,388.69 | 6,777.29 | 7,265.66 |
| Gearing (net) | Nil | Nil | Nil |

## The total returns in sterling for the period were:

| | Six months to 30 June 2018 (unaudited) %[2] | Six months to 30 June 2017 (unaudited) % | Year to 31 December 2017 (audited) % |
|---|---|---|---|
| Aurora NAV[1] per share | +6.25 | +10.83 | +18.50 |
| Share price[1] | +6.66 | +13.00 | +19.88 |
| FTSE ALL-Share Index ('Benchmark') | +1.69 | +5.50 | +13.10 |

[1] Definitions of these Alternative Performance Measures ('APMs') together with how these have been calculated can be found on page 17.
[2] Including dividend reinvested. Source: Bloomberg.

# Investment Policy

The Company's objective is to provide Shareholders with long-term returns through capital and income growth.

The Company seeks to achieve its investment objective by investing predominantly in a portfolio of UK listed companies. The Company may from time to time also invest in companies listed outside the UK and unlisted securities. The investment policy is subject to the following restrictions, all of which are at the time of investment:

- The maximum permitted investment in companies listed outside the UK at cost price is 20% of the Company's gross assets.
- The maximum permitted investment in unlisted securities at cost price is 10% of the Company's gross assets.
- There are no pre-defined maximum or minimum sector exposure levels but these sector exposures are reported to and monitored by, the Board in order to ensure that adequate diversification is achieved.
- The Company's policy is not to invest more than 15% of its gross assets in any one underlying issuer.
- The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than 10% in aggregate of the gross assets of the Company in other listed closed-ended investment funds.
- The Company will not invest in any other fund managed by the Investment Manager.

While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The portfolio will be relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will consist of holdings in 15 to 20 companies. The Company may use derivatives and similar instruments for the purpose of capital preservation.

The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30% of the aggregate of the paid up nominal capital plus the capital and revenue reserves.

Any material change to the investment policy of the Company will only be made with the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

# INTERIM MANAGEMENT REPORT

## Investment Manager's Review

### Performance

The NAV per share increased during the half year by 6.2% and the share price by 6.6%. At the end of June, the shares were trading at a 1.4% premium to NAV. The FTSE All Share Index was up 1.7% over the same period. Since Phoenix was appointed Investment Manager in January 2016, the NAV has risen 42% versus the market, which is up 40.9%. Net assets are £105m (£87m Dec' 2017) as the Trust has continued to draw interest to the Phoenix investment style from a range of new investors. In early July 2018 the Trust undertook a further fundraise and Net Assets increased to £115m as at 31 July.

### Portfolio Review

In the first half we introduced two new holdings to the portfolio, **Dignity**, a leading funeral service provider and **Stanley Gibbons** and exited one, **Barratt Developments**.

**Dignity** is a 3.4% weight in the portfolio and is a business with a leading market position in a fragmented market. We have followed the stock since its IPO in 2004 but only got the chance to act after price falls in 2017 and early 2018. We remain active in the holding and will refrain from detailed comment until we have completed the investment programme.

Following approval to take up to a 10% holding in a private company at the AGM this year we entered a position in a special purpose vehicle, Phoenix SG Ltd which comprises the assets which make up our investment in **Stanley Gibbons PLC**. The investment via an SPV is unusual but is structured to protect our downside. The design makes this a far superior investment to one we could have made by just buying equity.

As outlined in the last Aurora annual report Phoenix purchased four assets: **Stanley Gibbons PLC** (SG) equity, a loan owed to the bank, a portfolio of stamps and a receivable from the administration of SG's Guernsey entity. We have bought the written down bank debt, which will be repaid in the next 5 years. Over that same period, we expect sales of the stamps we have purchased and a distribution from the receivable. In total we expect to earn from those 3 items around the same amount as our total investment leaving us with our equity stake of Stanley Gibbons at no cost. Whilst we are owed money, we have a first charge over all the assets of the company.

The group has been through a disastrous period of mismanagement which saw it make overpriced acquisitions and distort its core business to serve an investment business which is now in administration. The current board have in the past two years unwound and disposed of those acquisitions, including an antiques business. They also closed the investment business. What we inherit is a company ready to recover based upon its core business in the world of stamp and coin collecting. The group has 2 well-known brands: Stanley Gibbons in stamps, and Baldwins in coins. Stanley Gibbons was founded in 1856 and since 1899 has been located on The Strand in London. Since 1914, the company has held a Royal Warrant for supplying the Royal Household. In the philatelic world, Stanley Gibbons has the pre-eminent reputation and for that stamp buyers are willing to pay a premium because of the lifetime guarantee of authenticity.

Stanley Gibbons publishes catalogues that list prices for stamps in the areas in which it specialises, and these are used by the rest of the trade as their reference point.

Our vision is that the company can now rebuild and update its business from a single destination location and reach a worldwide audience through an effective digital strategy. The desire to collect and have hobbies, the wherewithal to fund these pursuits, leisure time and good health are all boosted by the prevailing demographic trends. However, to achieve their potential and attract and delight new customers it is essential to modernise and make the most of new technologies and insights.

The internet, rather than hurting a business like Stanley Gibbons, in fact does the opposite. It allows a unique single iconic location in London to reach a worldwide audience inexpensively, and for a business so rich in intellectual property and knowledge, to offer an engaging and immersive experience tailored to the interest of the customer. The building blocks for a great business are there in terms of the brand, heritage, reputation and capability. We look forward to updating you in the coming years on their progress.

Phoenix's control position and the presence of one of our team on the Board, allows us to ensure that the company stays focused on building long term shareholder value.

In March we exited our clients' holdings in Barratt Developments. This was part of our most significant portfolio change this year which saw the house building weight reduce from c. 18% to c.10%. This move was the result of an internal process that subjects all our investments to a test of repurchase at least once every three years. Essentially, the weight reduction reflects our finding that although housebuilders are good value and likely to continue to deliver attractive long-term returns, it must be recognised that the current conditions could not be more favourable in every regard and so it is reasonable to expect that the most likely future path is for a deterioration in some of these positives. With that in mind, we decided that our overall exposure was too high, and we have reduced it. The share price performance of our remaining housebuilders Bellway & Redrow has been weak during the half year and the main negative contributor to our 2018 performance. However, we remain convinced of the long-term attractiveness of the sector and both companies continue to produce good fundamental results.

Tesco and Morrison have performed well in the first half as they have continued along a pathway of increased sales and higher margins. Randall & Quilter has also performed well. In results earlier in the year they reported strong underlying profit growth. The business has been streamlined and the money from a prior capital raise fully deployed. Management reported that they are well placed to develop and profit from multiple opportunities in their chosen business segments.

## Outlook

That we have a cash position is an indicator that the UK market is not obviously cheap in absolute terms, even if it may be relative to other markets and asset classes. If it were genuinely in overall bargain territory, then we have enough candidates in our universe to be fully invested.

We invest by making business and stock specific decisions, one by one, whilst paying attention to the overall risk profile of the portfolio. Some think this means that our decisions therefore contain no macro-economic element, however this is not true.

All our businesses operate within the overall economy. The expected future cashflows of a business will exist in a macro-economic context and we recognise that when we build models and derive valuations.

When estimating businesses in the UK at the moment, we assume a recession starting next year. This is not a forecast, just the most likely outcome based upon the data, and it affects some businesses more than others. Since 1945, we have had 6 completed business cycles in which the upswing lasted for an average of just over 9 years. The current upswing is just passing that point now. If we'd asked ourselves in 2009 what was the probability of a recession by 2019, then we would have put it at greater than 50%, based upon the historical data.

Another way to consider this is to study those past cycles where the upswing had lasted this long. There have been 4 since 1945, and they ended after 0, 1, 3 and 6 years. Again, suggesting a high probability of a downturn in the next few years.

This way of estimating hits the valuation of cyclical stocks the most and so we tend to end up with a portfolio with fewer of them. Our biggest exposure is to Food Retailing (Tesco and Morrisons) which is very resilient in a downturn. Where we are exposed to cyclical sectors we are in the discount and budget end, which do better in a recession (Sports Direct, JD Wetherspoons and easyJet). It doesn't mean that we won't own cyclical businesses, it is just that the valuation needs to be compelling enough to cope with an initial downturn and that the capital structure of the business is not imperilled by a recession. We happily own Lloyds Banking, Bellway and Redrow on that basis.

Some of our businesses are in fields not impacted by the economic cycle like Glaxo, Randall & Quilter, CPP and our latest investment in Dignity, which is affected by the death rate, that doesn't seem to be affected by the economy, but it is by the weather.

Vesuvius is impacted by the steel cycle which has its own dynamics, driven more by oversupply from China and trade wars. However, the strength of their franchise was shown by the resilience of their profits in the recent steel downturn. When you have pricing power, cycles impact volumes, but not necessarily margins.

Finally, the value of our hobby businesses, Hornby and Stanley Gibbons, will be a product of whether they build successful businesses delighting their customers. Hobby spend itself is very resilient to cyclical forces.

This is an interesting market to be investing in. Whatever the overall level, it contains pockets of significant potential value particularly in companies that are having problems. We will do our best to make the most of it.

Steve Tatters
Phoenix Asset Management Partners Ltd
24 September 2018

# Top holdings

As at 30 June 2018

| Company | Sector | Holding in Company | Amount | Percentage of net assets |
|---|---|---|---|---|
| | | | £'000 | % |
| Tesco | Retail | 4,899,100 | 12,571 | 12.0 |
| Lloyds Banking Group | Finance | 16,483,000 | 10,388 | 9.9 |
| GlaxoSmithKline | Pharmaceuticals | 643,300 | 9,841 | 9.4 |
| Sports Direct International | Retail | 2,322,800 | 9,277 | 8.9 |
| Randall & Quilter Investment Holdings Ltd | Insurance | 4,789,720 | 7,807 | 7.5 |
| Phoenix SG Ltd* | Finance | 2,482 | 6,495 | 6.2 |
| Vesuvius | Industrials | 1,039,934 | 6,214 | 5.9 |
| Hornby | Leisure | 17,727,984 | 6,205 | 5.9 |
| Bellway | Construction | 195,840 | 5,883 | 5.6 |
| WM Morrison Supermarkets | Retail | 2,198,600 | 5,540 | 5.3 |
| easyJet | Leisure | 226,400 | 3,788 | 3.6 |
| UK Treasury Bills | Finance | 3,698,000 | 3,698 | 3.5 |
| Redrow | Construction | 677,226 | 3,606 | 3.4 |
| Dignity | Retail | 349,310 | 3,514 | 3.4 |
| JD Wetherspoon | Leisure | 275,726 | 3,469 | 3.3 |
| Other holdings (less than 3%) | | n/a | 3,732 | 3.7 |
| **Total holdings** | | | **102,028** | **97.5** |
| Net current assets | | | 2,632 | 2.5 |
| **Net assets** | | | **104,660** | **100.0** |

* Comprises the assets which make up the investment in Stanley Gibbons plc.

# Sector Breakdown

As at 30 June 2018

| SECTOR | AURORA % |
|---|---|
| Retail | 29.6 |
| Finance | 19.6 |
| Leisure | 12.8 |
| Pharmaceuticals | 9.4 |
| Construction | 9.0 |
| Insurance | 7.5 |
| Industrials | 5.9 |
| Food and Beverage | 2.0 |
| Financial | 1.7 |
| Net current assets | 2.5 |
| **Total** | **100.0** |

# Formal Declarations

The Investment Manager's Review on pages 3 to 5 provides details on the performance of the Company. This report also includes an indication of the important events that have occurred during the first six months of the financial year ending 31 December 2018 and the impact of those events on the condensed set of financial statements included in this Half Yearly Financial Report.

Details of the investments held at the period end and the structure of the portfolio at the period end are provided on pages 6 and 7.

## Principal Risks and Uncertainties

The Board considers that the main risks and uncertainties faced by the Company fall into the categories of (i) Market risks and (ii) Corporate governance and (iii) internal control risks. A detailed explanation of these risks and uncertainties can be found in the Company's most recent Annual Report for the year ended 31 December 2017. Except as disclosed in the Investment Manager's Review, the principal risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report.

## Related Party Transactions

Details of the investment management arrangements are provided in the Annual Report. There have been no material changes to the related party transactions described in the Annual Report that could have an effect on the financial position or performance of the Company. Amounts payable to the Investment Manager in the period are detailed in the Statement of Comprehensive Income on page 10.

Board of Directors
24 September 2018

# STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE HALF YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half Yearly Financial Report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting"; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The Half Yearly Financial Report was approved by the Board on 24 September 2018 and the above responsibility statement was signed on its behalf by:

Lord Flight
Chairman
24 September 2018

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| Note | | 6 months to 30 June 2018 (unaudited) | | | 6 months to 30 June 2017 (unaudited) | | |
|---|---|---|---|---|---|---|---|
| | | **Revenue** | **Capital** | **Total** | **Revenue** | **Capital** | **Total** |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | Gains on investments | – | 4,942 | 4,942 | – | 5,670 | 5,670 |
| | Investment income | 1,530 | – | 1,530 | 891 | – | 891 |
| | **Total income** | **1,530** | **4,942** | **6,472** | **891** | **5,670** | **6,561** |
| 3 | Investment management fees | – | (164) | (164) | – | – | – |
| | Other expenses | (186) | – | (186) | (180) | – | (180) |
| | **Profit and total comprehensive income for the period** | **1,344** | **4,778** | **6,122** | **711** | **5,670** | **6,381** |
| 6 | **Earnings per share** | **3.05p** | **10.85p** | **13.90p** | **2.19p** | **17.46p** | **19.65p** |

The revenue and capital columns, including the revenue and capital earnings per share data, are supplementary information prepared under guidance published by the AIC.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All revenue is attributable to the equity holders of the Company.

The notes on pages 15 and 16 form part of these accounts.

# CONDENSED STATEMENT OF FINANCIAL POSITION

| | At 30 June 2018 (unaudited) | At 30 June 2017 (unaudited) | At 31 December 2017 (audited) |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Non–current assets: | | | |
| **Investments held at fair value** | **102,028** | **57,163** | **82,587** |
| Current assets | | | |
| Other receivables | 267 | 213 | 351 |
| Cash and cash equivalents | 5,574 | 10,627 | 4,507 |
| | 5,841 | 10,840 | 4,858 |
| **Total assets** | **107,869** | **68,003** | **87,445** |
| | | | |
| Current liabilities: | | | |
| Purchases for settlement | 2,989 | – | – |
| Other payables | 220 | 53 | 72 |
| | 3,209 | 53 | 72 |
| **Total assets less current liabilities** | **104,660** | **67,950** | **87,373** |
| | | | |
| Equity: | | | |
| Called up share capital | 12,128 | 8,877 | 10,618 |
| Capital redemption reserve | 179 | 179 | 179 |
| Share premium account | 64,950 | 41,874 | 54,009 |
| Investment holding gains | 15,041 | 6,478 | 10,887 |
| Other capital reserves | 10,677 | 9,511 | 10,053 |
| Revenue reserve | 1,685 | 1,031 | 1,627 |
| **Total equity** | **104,660** | **67,950** | **87,373** |
| | | | |
| **Net assets per ordinary share** | **215.74p** | **191.36p** | **205.72p** |
| No. of ordinary shares in issue | 48,512,435 | 35,508,868 | 42,471,503 |

The notes on pages 15 and 16 form part of these accounts.

# CONDENSED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Capital redemption reserve | Share premium account | Unrealised capital gains | Other capital gains | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|
| **6 months to 30 June 2018 (unaudited)** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| Opening equity | 10,618 | 179 | 54,009 | 10,887 | 10,053 | 1,627 | **87,373** |
| Total comprehensive income for the period | – | – | – | 4,154 | 624 | 1,344 | **6,122** |
| Issue of new shares | 1,510 | – | 10,991 | – | – | – | **12,501** |
| Share issue costs | – | – | (50) | – | – | – | **(50)** |
| Dividends paid | – | – | – | – | – | (1,286) | **(1,286)** |
| **Closing equity** | **12,128** | **179** | **64,950** | **15,041** | **10,677** | **1,685** | **104,660** |

| | Share capital | Capital redemption reserve | Share premium account | Unrealised capital gains | Other capital gains | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|
| **6 months to 30 June 2017 (unaudited)** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| Opening equity | 7,448 | 179 | 32,557 | 2,111 | 8,208 | 935 | **51,438** |
| Total comprehensive income for the period | – | – | – | 4,367 | 1,303 | 711 | **6,381** |
| Issue of new shares | 1,429 | – | 9,372 | – | – | – | **10,801** |
| Share issue costs | – | – | (55) | – | – | – | **(55)** |
| Dividends paid | – | – | – | – | – | (615) | **(615)** |
| **Closing equity** | **8,877** | **179** | **41,874** | **6,478** | **9,511** | **1,031** | **67,950** |

The notes on pages 15 and 16 form part of these accounts.

# CONDENSED STATEMENT OF CHANGES IN EQUITY continued

| | Share capital | Capital redemption reserve | Share premium account | Unrealised capital gains | Other capital gains | Revenue reserve | Total |
|---|---|---|---|---|---|---|---|
| **Year to 31 December 2017 (audited)** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| Opening equity | 7,448 | 179 | 32,557 | 2,111 | 8,208 | 935 | **51,438** |
| Total comprehensive income for the year | – | – | – | 8,776 | 1,845 | 1,307 | **11,928** |
| Issue of new shares | 3,170 | – | 21,737 | – | – | – | **24,907** |
| Share issue costs | – | – | (285) | – | – | – | **(285)** |
| Dividends paid | – | – | – | – | – | (615) | **(615)** |
| **Closing equity** | **10,618** | **179** | **54,009** | **10,887** | **10,053** | **1,627** | **87,373** |

The notes on pages 15 and 16 form part of these accounts.

# CONDENSED CASH FLOW STATEMENT

| | 6 months to 30 June 2018 (unaudited) | 6 months to 30 June 2017 (unaudited) |
|---|---|---|
| | £'000 | £'000 |
| Net cash outflow from operating activities: | | |
| Cash inflow from investment income and interest | 1,615 | 916 |
| Cash outflow from management expenses | (49) | (180) |
| Payments to acquire non-current asset investments | (34,003) | (9,576) |
| Receipts on disposal of non-current asset investments | 22,329 | 7,816 |
| **Net cash outflow from operating activities** | **(10,108)** | **(1,024)** |
| | | |
| Cash flows from financing activities: | | |
| Net proceeds from issues of new shares | 12,461 | 10,863 |
| Dividends paid | (1,286) | (615) |
| **Net cash flow from financing activities** | **11,175** | **10,248** |
| | | |
| **Increase in cash and cash equivalents** | **1,067** | **9,224** |
| | | |
| Cash and cash equivalents at beginning of period | 4,507 | 1,403 |
| **Cash and cash equivalents at end of period** | **5,574** | **10,627** |

The notes on pages 15 and 16 form part of these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Status of the financial statements

These financial statements are not the Company's statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months period ended 30 June 2018 have not been audited.

The information for the year ended 31 December 2017 has been extracted from the latest published audited financial statements. The audited financial statements for the period ended 31 December 2017 have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 498(2) or (3) of the Companies Act 2006.

The Directors approved the Half Yearly Financial Report on 24 September 2018. This report is being sent to Shareholders and copies will be made available to the public at the registered office of the Company. The report will be available in electronic format on the *website www.aurorainvestmenttrust.com.*

## 2. Accounting policies

The half yearly financial information has been prepared in accordance with IAS34 Interim Financial Reporting. The accounting policies are unchanged from those used in the last published annual financial statements except where otherwise stated.

## 3. Investment management fees

The Company has an agreement with Phoenix Asset Management Partners ('the Investment Manager'). Under the terms of this agreement, the Investment Manager does not earn an ongoing annual management fee, but will be paid an annual performance fee equal to one third of any outperformance of the Company's net asset value total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Total Return for each financial year.

There was a performance fee of £164,000 accrued as at 30 June 2018 (30 June 2017: nil and 31 December 2017: nil).

## 4. Dividends

In accordance with the stated policy of the Company, the directors do not recommend an interim dividend.

The final dividend of 2.75p per share in respect of the year ended on 31 December 2017 went ex-dividend on 3 May 2018. The dividend was paid on 19 June 2018. This dividend was not reflected in the financial statements for the year ended 31 December 2017, but is reflected in the financial statements for the period to 30 June 2018.

## 5. Share Capital

| | | At 30 June 2018 | At 30 June 2017 | At 31 December 2017 |
|---|---|---|---|---|
| Allotted, called up and fully paid | Number | 48,512,435 | 35,508,868 | 42,471,503 |
| Ordinary shares of 25p | £'000 | 12,128 | 8,877 | 10,618 |

During the period to 30 June 2018, the Company issued 6,040,932 new ordinary shares, in pursuance of the prospectus dated 5 September 2017. The prospectus also provided for an ongoing Placing Programme, under which up to 75 million further shares may be issued from time to time during the period from 2 October 2017 to 4 September 2018. The price at which shares may be issued under this Programme is the NAV per share at the time of issue plus a premium to cover the expenses of the issue as determined by the Board at the time of each issue.

Since 30 June 2018, a further 5,478,560 ordinary shares have been issued raising net aggregate proceeds of £11,896,000.

The Company did not purchase any of its own shares during the six month period to 30 June 2018 (2017: nil).

## 6. Earnings per share

Earnings for the period to 30 June 2018 are stated by reference to the weighted average of 44,051,464 (2017: 32,467,140) ordinary shares in issue during the period. No shares were held in Treasury.

## 7. Related party transactions

Fees payable to the Investment Manager are shown in the Statement of Comprehensive Income and note 3.

Fees payable to the Administrator in respect of the period were £61,581 including VAT. Fees were accrued of £11,616 incl. VAT to the Administrator at 30 June 2018; these fees were paid following the period end.

Fees payable to the Directors in respect of the period were £42,416 (including NI or VAT as applicable).

# Alternative Performance Measures ('APMs')

## Premium

The amount, expressed as a percentage, by which the share price is more than the NAV per share

| | | As at 30 June 2018 |
|---|---|---|
| NAV per Ordinary Share | a | 215.74 |
| Share price | b | 219.00 |
| **Premium** | (b ÷ a) – 1 | **1.51%** |

## Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

| **Six months ended 30 June 2018** | | **NAV** | **Share price** |
|---|---|---|---|
| Opening at 1 January 2018 | a | 205.72 | 208.00 |
| Closing at 30 June 2018 | b | 215.74 | 219.00 |
| Dividend adjustment factor | c | 1.013 | 1.013 |
| Adjusted closing (d = b x c) | d | 218.58 | 221.85 |
| **Total return** | (d ÷ a) – 1 | **6.25%** | **6.66%** |

# DIRECTORS, INVESTMENT MANAGER AND ADVISERS

| DIRECTORS | INVESTMENT MANAGER AND AIFM |
|---|---|
| Lord Flight (Chairman)<br>The Honourable James Nelson<br>Richard M Martin<br>David Stevenson<br>Steve Tatters | Phoenix Asset Management Partners Limited<br>64-66 Glentham Road<br>London SW13 9JJ<br>Telephone: 0208 600 0100 |

| DEPOSITORY & CUSTODIAN | SECRETARY & REGISTERED OFFICE |
|---|---|
| BNP Securities Services<br>London Branch<br>55 Moorgate<br>London EC2R 6PA | PraxisIFM Fund Services (UK) Limited<br>Mermaid House<br>2 Puddle Dock<br>London EC4V 3DB |

| REGISTRAR | ADMINISTRATOR |
|---|---|
| Link Asset Services<br>The Registry<br>34 Beckenham Road<br>Beckenham<br>Kent BR3 4TU | PraxisIFM Fund Services (UK) Limited<br>Mermaid House<br>2 Puddle Dock<br>London EC4V 3DB |

| STOCKBROKER | AUDITOR |
|---|---|
| Liberum Capital Limited<br>25 Ropemaker Street<br>London EC2Y 9LY | Grant Thornton UK LLP<br>30 Finsbury Square<br>London EC2P 2YU |

*Registered in England and Wales No. 03300814

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES