

## NEW STAR INVESTMENT TRUST PLC

This announcement constitutes regulated information.

### UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31st DECEMBER 2021

#### INVESTMENT OBJECTIVE

The Company's objective is to achieve long-term capital growth.

#### FINANCIAL HIGHLIGHTS

	31st December 2021	30th June 2021	%
			Change
<b>PERFORMANCE</b>			
Net assets (£'000)	<b>140,722</b>	138,132	1.88
Net asset value per Ordinary share	<b>198.13p</b>	194.49p	1.88
Mid-market price per Ordinary share	<b>143.00p</b>	134.00p	6.72
Discount of price to net asset value	<b>27.8%</b>	31.1%	n/a
	Six months ended 31st December 2021	Six months ended 31st December 2020	
Total Return*	<b>2.59%</b>	8.71%	n/a
IA Mixed Investment 40-85% Shares (total return)	<b>4.18%</b>	10.00%	n/a
MSCI AC World Index (total return, sterling adjusted)	<b>7.86%</b>	12.32%	n/a
MSCI UK Index (total return)	<b>7.42%</b>	5.48%	n/a
	Six months ended 31st December 2021	Six months ended 31st December 2020	
<b>REVENUE</b>			
Return (£'000)	<b>405</b>		279
Return per Ordinary share	<b>0.57p</b>		0.39p
Proposed dividend per Ordinary share	-		-
Dividend paid per Ordinary share	<b>1.40p</b>		1.40p
<b>TOTAL RETURN</b>			
Return (£'000)	<b>3,584</b>		9,922
Net assets (dividend added back)	<b>2.59%</b>		8.7%
Net assets	<b>1.88%</b>		7.8%

\* The total return figure for the Group represents the revenue and capital return shown in the consolidated statement of comprehensive income plus dividends paid.

## **INTERIM REPORT**

### **CHAIRMAN'S STATEMENT**

#### **PERFORMANCE**

Your Company generated a positive total return of 2.59% over the six months to 31st December 2021, taking the net asset value (NAV) per ordinary share to 198.13p. By comparison, the Investment Association's Mixed Investment 40-85% Shares Index rose 4.18%. The MSCI AC World Total Return Index rose 7.86% in sterling over the period, the MSCI UK Total Return Index rose 7.42% while UK government bonds returned 0.54%. Further information is provided in the investment manager's report.

Your Company made a revenue profit for the six months of £405,000 (2020: £279,000).

#### **GEARING AND DIVIDENDS**

Your Company has no borrowings. It ended the period under review with cash representing 3.65% of its NAV (14.20% inclusive of outstanding sale proceeds) and is likely to maintain a significant cash position. Cash stood at 21.05% at 28th February 2022 following the receipt of proceeds from the sale of Embark Group, previously your Company's largest private equity investment, to Lloyds Banking, and profit taking from various equity holdings. Your Company has small retained revenue reserves and your Directors do not intend to pay an interim dividend (2020: nil). Your Company paid a dividend of 1.4p per share (2020: 1.4p) in November 2021 in respect of the previous financial year.

#### **DISCOUNT**

Your Company's shares continued to trade at a significant discount to their NAV during the period under review. The Board keeps this issue under review.

#### **OUTLOOK**

Your Company's holdings in cash, gold and multi-asset investments left it defensively positioned ahead of Russia's Ukraine invasion and the subsequent equity market falls and price rises for industrial and agricultural commodities. The weakness in equities resulting from the war in Ukraine may, however, provide attractive buying opportunities for longer-term investors. Value stocks outperformed growth stocks in late 2021 and the first two months of 2022 yet a balance between value and growth appears appropriate because growth companies with strong market positions may be better able to pass on cost increases to consumers than cyclical companies with little pricing power.

#### **NET ASSET VALUE**

Your Company's unaudited NAV at 28th February 2022 was 183.79p.

Geoffrey Howard-Spink  
Chairman  
17th March 2022

### **INVESTMENT MANAGER'S REPORT**

#### **MARKET REVIEW**

Global equities rose 7.86% in sterling over the six months to 31 December 2021 as a synchronised global economic recovery, fuelled by accommodative monetary policy and fiscal easing, spurred demand for risky assets. Investor sentiment improved as it became apparent the Covid-19 Omicron variant's infectiousness was not matched by its severity. Global bonds fell 1.55% in local currencies because of rising inflation and interest rate expectations but gained 0.41% in sterling.

Shortly after the period end, equities fell sharply because of fears of monetary tightening in response to rising inflation and Russia's invasion of Ukraine. In December, the Federal Reserve accelerated its run-down of asset

purchases and pencilled in three interest rate increases for 2022 and a median interest rate expectation of 0.9% by December. The Bank of England ceased asset purchases in December and raised Bank rate in December and February 2022, taking it to 0.5%. The European Central Bank also slowed the pace of asset purchases and eurozone interest rates may increase in 2022.

Prices are higher because of “cost-push”, not “demand-led”, inflation. In January 2022, US, UK and eurozone inflation figures were above central bank targets at 7.5%, 5.5% and 5.1% respectively but supply chain bottlenecks are reducing and materials shortages may ease as economic growth slows. Savings amassed by people during Covid-19 lockdowns may have been largely spent and this, coupled with cost-of-living increases such as higher energy bills, may dampen consumer confidence. The Ukraine war may exacerbate inflationary pressures from higher energy prices. As a result of decisions taken over decades to close coal, nuclear and gas-fired power plants, some countries depend on Russian gas. Following the invasion, Germany’s chancellor, Olaf Scholz, suspended plans to open the Nord Stream 2 gas pipeline from Russia. The West’s initial rounds of sanctions did not extend to a ban on Russian energy imports but the US and UK announced bans on Russian oil after 13 days of conflict.

#### **PORTFOLIO REVIEW**

Your Company’s total return over the period under review was 2.59%. By comparison, the Investment Association Mixed Investment 40-85% Shares sector, a peer group of funds with a multi-asset approach to investing and a typical investment in global equities in the 40-85% range, rose 4.18%. The MSCI AC World Total Return Index rose 7.86% in sterling while the MSCI UK Total Return Index rose 7.42%. Your Company benefited from its allocation to equity investments and underweight holdings in bonds. The 6.18% allocation to cash at the start of the period reflected your manager’s confidence in the longer-term prospects for equities. Performance was, however, hurt by the relatively-low allocation to US equities, which gained 13.90% in sterling.

Growth companies outperformed value stocks over the period although market leadership changed in December as central banks turned more hawkish. Higher interest rates may affect growth company valuations as future cash flows are discounted more aggressively. Fundsmith Equity and Polar Capital Technology, your Company’s two largest collective investments, hold growth companies and rose 8.04% and 5.55% respectively. Both held US technology stocks, which gained 18.79% in sterling as Omicron led to further lockdowns and investors bought lockdown beneficiaries. The Polar Capital holding lagged US equities because of its bias towards mid- and small-cap technology stocks, which underperformed larger peers.

Equities in Asia excluding Japan and emerging markets fell 8.52% and 7.30% respectively in sterling, with rising inflation and interest rate expectations leading investors to expect a rise in the dollar and capital outflows. As a result, your Company’s relatively high allocation in these areas hurt performance. Chinese equities were conspicuously weak, falling 21.56% in sterling on signs that growth may slow and fears regarding China’s over-indebted property sector and political intervention in quoted companies. Beijing’s “zero-Covid” policy, which involves full local lockdowns in response to infections, may damage growth. Your Company has no direct investments in China and both its Asia ex-Japan equity holdings, Matthews Asia ex Japan Dividend and Liontrust Asia Income, outperformed but still fell 2.28% and 5.34% respectively.

Your Company owns JP Morgan Emerging Markets Income and the JP Morgan Global Emerging Markets Income investment trust. These differ in structure but share the same investment strategy. Over the period, both outperformed, with the former rising 2.85% and the latter falling 1.09%. This was because they were underweight Chinese equities and owned no shares in Alibaba and Tencent, which fell 61.24% and 20.53% respectively.

Within your Company’s allocation to country-specific emerging market holdings, Stewart Investors Indian Subcontinent Sustainability and Vietnam Enterprise Investment gained 17.62% and 6.89% respectively. Indian equities rose 14.78% in sterling as investors warmed to the moves by the prime minister, Narendra Modi, to make India more business friendly. Vietnamese equities benefited from off-shoring from China and increased public spending. At the period end, approximately 1.36% of your Company’s portfolio was invested in Russian equities via the HSBC MSCI Russia Capped exchange-traded fund.

UK equities rose 7.42% although smaller companies lagged, up only 3.83%. Within the portfolio, Trojan Income did best, rising 9.23%, but Man GLG Income and Brompton UK Recovery gained only 4.85% and 5.38% respectively because of their small-cap bias. The two small company specialists, Chelverton UK Equity Income and Aberforth UK Split Level Income, gained 4.16% and fell 5.27% respectively.

Equities in Europe excluding the UK lagged, rising 5.92% in sterling. Within the portfolio, BlackRock Continental European Income and Standard Life European Equity Income outperformed, rising 6.85% and 6.69% respectively, but Crux European Special Situations gained only 4.27%.

Gold and gold equities rose 4.94% and fell 1.04% respectively in sterling as safe-haven assets remained out of favour. BlackRock Gold & General rose 1.64%. Your Company benefited from the diversification provided by alternative and low-risk multi-asset investments in preference to bonds as Chelsea Managed Monthly Income, Aquilus Inflection and Trojan gained 6.11%, 5.81% and 5.74% respectively.

Within the private equity portfolio, the sale of Embark Group, your Company's largest investment, to Lloyds Banking was completed after the period end and the proceeds were held in cash.

Investment income increased over the period, with corporate dividends restored as the global economy emerged from Covid-19 lockdowns.

## **OUTLOOK**

Following the Embark sale and profit-taking from a number of equity holdings, cash held in sterling and dollars rose to 21.21% of your Company's portfolio at 28 February. The allocation to bonds was low, however, because bonds will weaken in an environment of rising inflation and interest rates.

The high allocation to cash and the holdings in gold and gold equities and low-risk multi-asset investments resulted in your Company being defensively positioned ahead of Russia's invasion of Ukraine. Following the invasion, market volatility increased to reflect uncertainty regarding the outcome of the war and its impact on the global economy and financial market prospects. The prices of oil, gas and commodities such as wheat rose to a degree that will hurt consumers and slow growth. Your Company's holdings in sterling and dollar cash, physical gold, gold equities and low-risk multi-asset investments provide diversification and some protection to capital in falling equity markets because these investments are typically sought by investors as safe-havens in times of market stress. Gold may also perform well at times such as the present when inflation is higher than interest rates.

Your manager is positive on longer-term equity market prospects and there were no disposals of equity investments in the immediate aftermath of the Russian invasion. Inflation will be affected by rising commodity prices but may not remain at elevated levels for many more months, with supply chain bottlenecks expected to reduce and materials shortages ease as growth slows. The rotation towards value stocks extended after New Year but your Company continues to invest in growth- and value-oriented investments because growth companies with high barriers to entry may be more able to pass on cost increases through higher prices than value companies. The equity market falls since the period end may offer attractive buying opportunities for longer-term investors such as your Company.

Brompton Asset Management Limited  
17th March 2022

## **DIRECTORS' REPORT**

### **PERFORMANCE**

In the six months to 31st December 2021 the total return per Ordinary share was 2.59% (2020: 7.84%) and the NAV per ordinary share increased to 198.13p, whilst the share price increased by 6.72% to 143.00p. This compares to an increase of 4.18% in the IA Mixed Investment 40-85% Shares Index.

### **INVESTMENT OBJECTIVE**

The Company's investment objective is to achieve long-term capital growth.

### **INVESTMENT POLICY**

The Company's investment policy is to allocate assets to global investment opportunities through investment in equity, bond, commodity, real estate, currency and other markets. The Company's assets may have significant weightings to any one asset class or market, including cash.

The Company will invest in pooled investment vehicles, exchange traded funds, futures, options, limited partnerships and direct investments in relevant markets. The Company may invest up to 15% of its net assets in direct investments in relevant markets.

The Company will not follow any index with reference to asset classes, countries, sectors or stocks. Aggregate asset class exposure to any one of the United States, the United Kingdom, Europe ex UK, Asia ex Japan, Japan or Emerging Markets and to any individual industry sector will be limited to 50% of the Company's net assets, such values being assessed at the time of investment and for funds by reference to their published investment policy or, where appropriate, their underlying investment exposure.

The Company may invest up to 20% of its net asset value in unlisted securities (excluding unquoted pooled investment vehicles) such values being assessed at the time of investment.

The Company will not invest more than 15% of its net assets in any single investment, such values being assessed at the time of investment.

Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. Derivatives may also be used outside of efficient portfolio management to meet the Company's investment objective. The Company may take outright short positions in relation to up to 30% of its net assets, with a limit on short sales of individual stocks of up to 5% of its net assets, such values being assessed at the time of investment.

The Company may borrow up to 30% of net assets for short-term funding or long-term investment purposes.

No more than 10%, in aggregate, of the value of the Company's total assets may be invested in other closed-ended investment funds except where such funds have themselves published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

#### **SHARE CAPITAL**

The Company's share capital comprises 305,000,000 Ordinary shares of 1p each, of which 71,023,695 (2020: 71,023,695) have been issued and fully paid. No Ordinary shares are held in treasury, and none were bought back or issued during the six months ending 31st December 2021.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks identified by the Board, and the steps the Board takes to mitigate them, are discussed below. The audit committee reviews existing and emerging risks on a six monthly basis. The Board has closely monitored the geopolitical, societal, economic and market focused implications of the events in 2020 and 2021.

*Investment strategy:* Inappropriate long-term strategy, asset allocation and fund selection could lead to underperformance. The Board discusses investment performance at each of its meetings and the Directors receive reports detailing asset allocation, investment selection and performance.

*Business conditions and general economy:* The Company's future performance is heavily dependent on the performance of different equity and currency markets. The Board cannot mitigate the risks arising from adverse market movements. However, diversification within the portfolio should reduce the impact. Further information is given in portfolio risks below.

*Macro-economic event risk:* The Covid-19 pandemic was felt globally in 2020 and 2021 although economies and markets have recovered. The scale and potential adverse impact of a macro-economic event, such as the Covid-19 pandemic, has highlighted the possibility of a number of identified risks such as market risk, currency risk, investment liquidity risk and operational risk having an adverse impact at the same time. The risk may impact on: the value of the Company's investment portfolio, its liquidity, meaning investments cannot be realised quickly, or the Company's ability to operate if the Company's suppliers face financial or operational difficulties. The Directors closely monitor these areas and currently maintain a significant cash balance.

*Portfolio risks - market price, foreign currency and interest rate risks:* The largest investments are listed below. Investment returns will be influenced by interest rates, inflation, investor sentiment, availability/cost of credit and general

economic and market conditions in the UK and globally. A significant proportion of the portfolio is in investments denominated in foreign currencies and movements in exchange rates could significantly affect their sterling value. The Investment Manager takes all these factors into account when making investment decisions but the Company does not normally hedge against foreign currency movements. The Board's policy is to hold a spread of investments in order to reduce the impact of the risks arising from the above factors by investing in a spread of asset classes and geographic regions.

*Net asset value discount:* The discount in the price at which the Company's shares trade to net asset value means that shareholders cannot realise the real underlying value of their investment. Over the last few years the Company's share price has been at a significant discount to the Company's net asset value. The Directors review regularly the level of discount, however given the investor base of the Company, the Board is very restricted in its ability to influence the discount to net asset value.

*Investment Manager:* The quality of the team employed by the Investment Manager is an important factor in delivering good performance and the loss of key staff could adversely affect returns. A representative of the Investment Manager attends each Board meeting and the Board is informed if any major changes to the investment team employed by the Investment Manager are proposed. The Investment Manager regularly informs the Board of developments and any key implications for either the Investment Strategy or the investment portfolio.

*Tax and regulatory risks:* A breach of The Investment Trust (Approved Company) (Tax) Regulations 2011 (the 'Regulations') could lead to capital gains realised within the portfolio becoming subject to UK capital gains tax. A breach of the FCA Listing Rules could result in suspension of the Company's shares, while a breach of company law could lead to criminal proceedings, financial and/or reputational damage. The Board employs Brompton Asset Management Limited as Investment Manager, and Maitland Administration Services Limited as Secretary and Administrator, to help manage the Company's legal and regulatory obligations.

*Operational:* Disruption to, or failure of, the Investment Manager's or Administrator's accounting, dealing or payment systems, or the Custodian's records, could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service. The Board monitors its service providers, with an emphasis on their business interruption procedures.

The Directors confirm that they have carried out a robust assessment of the risks and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity.

#### **INVESTMENT MANAGEMENT ARRANGEMENTS AND RELATED PARTY TRANSACTIONS**

In common with most investment trusts the Company does not have any executive directors or employees. The day-to-day management and administration of the Company, including investment management, accounting and company secretarial matters, and custodian arrangements are delegated to specialist third party service providers.

Details of related party transactions are contained in the Annual Report. There have been no unusual material transactions with related parties during the period which have had a significant impact on the performance of the Company.

#### **GOING CONCERN AND VIABILITY**

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the interim report as the assets of the Company consist mainly of securities that are readily realisable or cash and it has no significant liabilities and no financial commitments. Investment income exceeds annual expenditure and current liquid net assets cover current annual expenses for many years. Accordingly, the Company is of the opinion that it has adequate financial resources to continue in operational existence for the foreseeable future which is considered to be in excess of five years. Five years is considered a reasonable period for investors when making their investment decisions. In reaching this view the Directors reviewed the anticipated level of annual expenditure against the cash and liquid assets within the portfolio. The Directors have also considered the risks the Company faces.

**RESPONSIBILITY STATEMENT**

The Directors confirm that to the best of their knowledge:

As disclosed in note 1, the annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The Chairman's statement and the Investment Manager's report include a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements;

The Chairman's statement, the Investment Manager's report and the Directors' report include a fair review of the potential risks and uncertainties for the remaining six months of the year;

The Director's report and note 8 to the interim financial report include a fair review of the information concerning transactions with the investment manager and changes since the last annual report.

By order of the Board

Maitland Administration Services Limited  
17th March 2022

**SCHEDULE OF TOP TWENTY INVESTMENTS** *at 31st December 2021*

	30th June 2021 £'000	Purchases/ (Sales)	Market Movement	31st Dec 2021 £'000	% of Net Assets
Embark Group	14,842	-	-	14,842	10.55
Fundsmith Equity Fund	10,653	-	856	11,509	8.18
Polar Capital Global Technology	9,299	-	517	9,816	6.98
TM Crux European Special Situations Fund	5,903	-	252	6,155	4.37
Matthews Asia Ex Japan Fund	5,839	-	(193)	5,646	4.01
MI Chelverton UK Equity Income Fund	5,387	-	82	5,469	3.89
EF Brompton Global Conservative Fund	4,766	-	99	4,865	3.46
BlackRock Continental European Income Fund	4,431	-	277	4,708	3.34
Aquilus Inflection Fund	4,378	-	254	4,632	3.29
Baillie Gifford Global Income Growth	4,075	-	317	4,392	3.12
BlackRock Gold & General	4,195	-	69	4,264	3.03
First State Indian Subcontinent Fund	3,608	-	636	4,244	3.02
EF Brompton Global Equity Fund	3,726	-	202	3,928	2.79
Aberforth Split Level Income Trust	4,212	-	(284)	3,928	2.79
EF Brompton Global Opportunities Fund	3,545	-	125	3,670	2.61
EF Brompton Global Growth Fund	3,309	-	115	3,424	2.43
MI Brompton UK Recovery Unit Trust	3,020	-	162	3,182	2.26
Liontrust Asia Income Fund	3,233	-	(213)	3,020	2.15
Lindsell Train Japanese Equity Fund	3,199	-	(377)	2,822	2.00
EF Brompton Global Balanced Fund	2,669	-	63	2,732	1.94
	<u>104,289</u>	<u>-</u>	<u>2,959</u>	<u>107,248</u>	<u>76.21</u>
Balance held in 24 investments	<u>25,438</u>	<u>2,885</u>	<u>155</u>	<u>28,478</u>	<u>20.24</u>
Total investments (excluding cash)	<u>129,727</u>	<u>2,885</u>	<u>3,114</u>	<u>135,726</u>	<u>96.45</u>

All of the above investments are investment funds with the exception of Embark Group which is an unquoted investment and Aberforth Split Level Income Trust which is an investment company.

The investment portfolio, excluding cash, can be further analysed as follows:	£'000
Investment funds	104,381
Unquoted investments	16,779
Investment companies and exchange traded funds	12,325
Other quoted investments	2,241
	<u>135,726</u>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2021 (unaudited)

		Six months ended 31st December 2021 (unaudited)		
		Revenue Return £ '000	Capital Return £ '000	Total Return £ '000
<b>INCOME</b>				
Investment income		1,001	-	1,001
Other operating income		-	-	-
Total income	2	<u>1,001</u>	<u>-</u>	<u>1,001</u>
<b>GAINS AND LOSSES ON INVESTMENTS</b>				
Gains on investments at fair value through profit or loss	5	-	3,114	3,114
Legal and professional costs		-	(60)	(60)
Other exchange gains		-	121	121
Trail rebates		-	4	4
		<u>1,001</u>	<u>3,179</u>	<u>4,180</u>
<b>EXPENSES</b>				
Management fees	3	(437)	-	(437)
Other expenses		(158)	-	(158)
		<u>(595)</u>	<u>-</u>	<u>(595)</u>
<b>PROFIT BEFORE FINANCE COSTS AND TAX</b>		<u>406</u>	<u>3,179</u>	<u>3,585</u>
Finance costs		(1)	-	(1)
<b>PROFIT BEFORE TAX</b>		<u>405</u>	<u>3,179</u>	<u>3,584</u>
Tax		-	-	-
<b>PROFIT FOR THE PERIOD</b>		<u>405</u>	<u>3,179</u>	<u>3,584</u>
<b>EARNINGS PER SHARE</b>				
Ordinary shares (pence)	4	<u>0.57p</u>	<u>4.48p</u>	<u>5.05p</u>

The total return column of this statement represents the Group's profit and loss account, prepared in accordance with IFRS. The supplementary Revenue Return and Capital Return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

All income is attributable to the equity holders of the parent company. There are no minority interests.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2020 and the year ended 30th June 2021

		Six months ended 31st December 2020 (unaudited)			Year ended 30th June 2021 (audited)		
	Notes	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
<b>INCOME</b>							
Investment income		795	-	795	1,519	-	1,519
Other operating income		3	-	3	3	-	3
Total income	2	<u>798</u>	<u>-</u>	<u>798</u>	<u>1,522</u>	<u>-</u>	<u>1,522</u>
<b>GAINS AND LOSSES ON INVESTMENTS</b>							
Gains on investments at fair value through profit or loss	5	-	10,677	10,677	-	25,927	25,927
Other exchange losses		-	(1,035)	(1,035)	-	(1,119)	(1,119)
Trail rebates		-	1	1	-	4	4
		<u>798</u>	<u>9,643</u>	<u>10,441</u>	<u>1,522</u>	<u>24,812</u>	<u>26,334</u>
<b>EXPENSES</b>							
Management fees	3	(370)	-	(370)	(774)	-	(774)
Other expenses		(149)	-	(149)	(319)	-	(319)
		<u>(519)</u>	<u>-</u>	<u>(519)</u>	<u>(1,093)</u>	<u>-</u>	<u>(1,093)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<u>279</u>	<u>9,643</u>	<u>9,922</u>	<u>429</u>	<u>24,812</u>	<u>25,241</u>
Tax		-	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>		<u>279</u>	<u>9,643</u>	<u>9,922</u>	<u>429</u>	<u>24,812</u>	<u>25,241</u>
<b>EARNINGS PER SHARE</b>							
Ordinary shares (pence)	4	<u>0.39p</u>	<u>13.58p</u>	<u>13.97p</u>	<u>0.61p</u>	<u>34.93p</u>	<u>35.54p</u>

The total return column of this statement represents the Group's profit and loss account, prepared in accordance with IFRS. The supplementary Revenue Return and Capital Return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the periods.

All income is attributable to the equity holders of the parent company. There are no minority interests.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2021 (unaudited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2021	710	21,573	56,908	58,941	138,132
Total comprehensive income for the period	-	-	-	3,584	3,584
Dividend paid	-	-	-	(994)	(994)
At 31st DECEMBER 2021	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>61,531</u>	<u>140,722</u>

Included within retained earnings were £1,429,000 of Company reserves available for distribution.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2020 (unaudited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2020	710	21,573	56,908	34,694	113,885
Total comprehensive income for the period	-	-	-	9,922	9,922
Dividend paid	-	-	-	(994)	(994)
At 31st DECEMBER 2020	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>43,622</u>	<u>122,813</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30th June 2021 (audited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2020	710	21,573	56,908	34,694	113,885
Total comprehensive income for the year	-	-	-	25,241	25,241
Dividend paid	-	-	-	(994)	(994)
At 30th JUNE 2021	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>58,941</u>	<u>138,132</u>

**CONSOLIDATED BALANCE SHEET***at 31st December 2021*

	<i>Notes</i>	31st December 2021 (unaudited) £ '000	31st December 2020 (unaudited) £ '000	30th June 2021 (audited) £ '000
<b>NON-CURRENT ASSETS</b>				
Investments at fair value through profit or loss	5	<u>135,726</u>	<u>111,261</u>	<u>129,727</u>
<b>CURRENT ASSETS</b>				
Other receivables		126	101	235
Cash and cash equivalents		<u>5,139</u>	<u>11,682</u>	<u>8,440</u>
		<u>5,265</u>	<u>11,783</u>	<u>8,675</u>
<b>TOTAL ASSETS</b>		<u>140,991</u>	<u>123,044</u>	<u>138,402</u>
<b>CURRENT LIABILITIES</b>				
Other payables		<u>(269)</u>	<u>(231)</u>	<u>(270)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>140,722</u>	<u>122,813</u>	<u>138,132</u>
<b>NET ASSETS</b>		<u>140,722</u>	<u>122,813</u>	<u>138,132</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>				
Called-up share capital		710	710	710
Share premium		21,573	21,573	21,573
Special reserve		56,908	56,908	56,908
Retained earnings	6	<u>61,531</u>	<u>43,622</u>	<u>58,941</u>
<b>TOTAL EQUITY</b>		<u>140,722</u>	<u>122,813</u>	<u>138,132</u>
<b>NET ASSET VALUE PER ORDINARY SHARE (PENCE)</b>	7	<u>198.13p</u>	<u>172.92p</u>	<u>194.49p</u>

The interim report was approved and authorised for issue by the Board on 17th March 2022.

## CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31st December 2021

	Six months ended 31st December 2021 (unaudited) £ '000	Six months ended 31st December 2020 (unaudited) £ '000	Year ended 30th June 2021 (audited) £ '000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>517</b>	<b>318</b>	<b>376</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of investments	(2,885)	(6,500)	(9,717)
Sale of investments	-	8,931	8,932
Legal and professional costs	(60)	-	-
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>	<b>(2,945)</b>	<b>2,431</b>	<b>(785)</b>
<b>FINANCING</b>			
Equity dividend paid	(994)	(994)	(994)
<b>NET CASH (OUTFLOW)/INFLOW AFTER FINANCING</b>	<b>(3,422)</b>	<b>1,755</b>	<b>(1,403)</b>
<b>(DECREASE)/INCREASE IN CASH</b>	<b>(3,422)</b>	<b>1,755</b>	<b>(1,403)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
(Decrease)/Increase in cash resulting from cash flows	(3,422)	1,755	(1,403)
Exchange movements	121	(1,035)	(1,119)
Movement in net funds	(3,301)	720	(2,522)
Net funds at start of period/year	8,440	10,962	10,962
<b>NET FUNDS AT END OF PERIOD/YEAR</b>	<b>5,139</b>	<b>11,682</b>	<b>8,440</b>
<b>RECONCILIATION OF PROFIT BEFORE FINANCE COSTS AND TAXATION TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before finance costs and taxation *	3,585	9,922	25,241
Gains on investments	(3,114)	(10,677)	(25,927)
Exchange differences	(121)	1,035	1,119
Legal and professional costs	60	-	-
Capital trail rebates	(4)	(1)	(4)
Revenue profit before finance costs and taxation	406	279	429
Decrease/(Increase) in debtors	109	36	(90)
(Decrease)/Increase in creditors	(1)	2	41
Finance costs	(1)	-	-
Taxation	-	-	(8)
Capital trail rebates	4	1	4
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>517</b>	<b>318</b>	<b>376</b>

\* Includes dividends received in cash of £963,000 (30th June 2021: £1,273,000) (2020: £718,000), accumulation income of £140,000 (30th June 2021: £187,000) (2020: £173,000) and interest income of less than £1,000 (30th June 2021: £3,000) (2020: £3,000).

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31st December 2021

### 1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements comprise the unaudited results of the Company and its subsidiary, JIT Securities Limited (together “the Group”), for the six months ended 31st December 2021. The comparative information for the six months ended 31st December 2020 and the year ended 30th June 2021 are a condensed set of accounts and do not constitute statutory accounts under the Companies Act 2006. Full statutory accounts for the year ended 30th June 2021 included an unqualified audit report, did not contain any statements under section 498 of the Companies Act 2006, and have been filed with the Registrar of Companies.

The half year financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’, and are presented in pounds sterling, as this is the Group’s functional currency.

The same accounting policies have been followed in the interim financial statements as applied to the accounts for the year ended 30th June 2021, which were prepared in accordance with IFRSs.

No segmental reporting is provided as the Group is engaged in a single segment.

### 2. TOTAL INCOME

	Six months ended 31st December 2021 £'000	Six months ended 31st December 2020 £'000	Year ended 30th June 2021 £'000
<b>Income from Investments</b>			
UK net dividend income	900	677	1,278
Unfranked investment income	85	118	238
UK fixed interest	16	-	3
	<u>1,001</u>	<u>795</u>	<u>1,519</u>
<b>Other Income</b>			
Bank interest receivable	-	3	3
	<u>-</u>	<u>3</u>	<u>3</u>
	Six months ended 31st December 2021 £'000	Six months ended 31st December 2020 £'000	Year ended 30th June 2021 £'000
<b>Total income comprises</b>			
Dividends	985	795	1,516
Other income	16	3	6
	<u>1,001</u>	<u>798</u>	<u>1,522</u>

### 3. MANAGEMENT FEES

	Six months ended 31st December 2021 £'000	Six months ended 31st December 2020 £'000	Year ended 30th June 2021 £'000
Investment management fee	437	370	774
	<u>437</u>	<u>370</u>	<u>774</u>

The Investment Manager receives a management fee, payable quarterly in arrears, equivalent to an annual 0.75 per cent of total assets after the deduction of the value of any investments managed by the Investment Manager or its associates (as defined in the investment management agreement).

#### 4. RETURN PER ORDINARY SHARE

	Six months ended 31st December 2021 £'000	Six months ended 31st December 2020 £'000	Year ended 30th June 2021 £'000
Revenue return	405	279	429
Capital return	3,179	9,643	24,812
Total return	<u>3,584</u>	<u>9,922</u>	<u>25,241</u>
Weighted average number of Ordinary shares	71,023,695	71,023,695	71,023,695
Revenue return per Ordinary share	0.57p	0.39p	0.61p
Capital return per Ordinary share	4.48p	13.58p	34.93p
Total return per Ordinary share	<u>5.05p</u>	<u>13.97p</u>	<u>35.54p</u>

#### 5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	At 31st December 2021 £'000	At 31st December 2020 £'000	At 30th June 2021 £'000
<b>GROUP AND COMPANY</b>	<u>135,726</u>	<u>111,261</u>	<u>129,727</u>

#### ANALYSIS OF INVESTMENT PORTFOLIO

Six months ended 31st December 2021

	Quoted* (level 1 and 2) £'000	Unquoted** (level 3) £'000	Total £'000
Opening book cost	68,281	9,428	77,709
Opening investment holding gains/(losses)	44,200	7,818	52,018
Opening valuation	<u>112,481</u>	<u>17,246</u>	<u>129,727</u>
Movement in period:			
Purchases at cost	2,849	36	2,885
Sales			
- Proceeds	-	-	-
- Realised gains on sales	-	-	-
Movement in investment holding gains/(losses)	<u>3,617</u>	<u>(503)</u>	<u>3,114</u>
Closing valuation at 31 December 2021	<u>118,947</u>	<u>16,779</u>	<u>135,726</u>
Closing book cost	71,130	9,464	80,594
Closing investment holding gains	47,817	7,315	55,132
Closing valuation	<u>118,947</u>	<u>16,779</u>	<u>135,726</u>

\* Quoted investments include unit trust and OEIC funds which are valued at quoted prices. Included within Quoted Investments is one monthly valued investment fund of £4,632,000 (30th June 2021: £4,378,000) (2020: £4,103,000).

\*\* The Unquoted investments, representing just under 12% of the Company's NAV, have been valued in accordance with IPEVC valuation guidelines. The largest unquoted investment amounting to £14,842,000 (30th June 2021: £14,842,000) (2020: £6,990,000) was valued at the latest transaction price. The second and third largest investments have been valued based on recent transaction price. A 10% increase or decrease in the earnings of the two largest investments would not have a material impact on the valuation of those investments.

There were no reclassifications for assets between Level 1, 2 and 3.

## 5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS *continued*

	Six months ended 31st December 2021 £'000	Six months ended 31st December 2020 £'000	Year ended 30th June 2021 £'000
<b>ANALYSIS OF CAPITAL GAINS</b>			
Realised gains on sales of investments	-	745	745
Increase in investment holding gains	3,114	9,932	25,182
	<u>3,114</u>	<u>10,677</u>	<u>25,927</u>

## 6. RETAINED EARNINGS

	At 31st December 2021 £'000	At 31st December 2020 £'000	At 30th June 2021 £'000
Capital reserve – realised	5,381	5,395	5,316
Capital reserve – revaluation	55,132	36,770	52,018
Revenue reserve	1,018	1,457	1,607
	<u>61,531</u>	<u>43,622</u>	<u>58,941</u>

## 7. NET ASSET VALUE PER ORDINARY SHARE

	31st December 2021 £'000	31st December 2020 £'000	30th June 2021 £'000
Net assets attributable to Ordinary shareholders	<u>140,722</u>	<u>122,813</u>	<u>138,132</u>
Ordinary shares in issue at end of period	<u>71,023,695</u>	<u>71,023,695</u>	<u>71,023,695</u>
Net asset value per Ordinary share	<u>198.13p</u>	<u>172.92p</u>	<u>194.49p</u>

## 8. TRANSACTIONS WITH THE INVESTMENT MANAGER

During the period there have been no new related party transactions that have affected the financial position or performance of the Group.

Since 1st January 2010 Brompton has acted as Investment Manager to the Company. This relationship is governed by an agreement dated 17 May 2018.

Mr Duffield is the senior partner of Brompton Asset Management Group LLP the ultimate parent of Brompton. Mr Duffield owns a majority (59.14%) of the shares in the Company.

Mr Gamble has an immaterial holding in Brompton Asset Management Group Limited LLP.

The total investment management fee payable to Brompton for the half year ended 31st December 2021 was £437,000 (30th June 2021: £774,000) (2020: £370,000) and at the half year £219,000 (30th June 2021: £214,000) (2020: £190,000) was accrued.

The Group's investments include seven funds managed by Brompton or its associates valued at £24,194,000 (30th June 2021: £23,389,000) (2020: £21,998,000). No investment management fees were payable directly by the Company in respect of these investments.