

NEW STAR INVESTMENT TRUST PLC

This announcement constitutes regulated information.

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31st DECEMBER 2023

INVESTMENT OBJECTIVE

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

FINANCIAL HIGHLIGHTS

	31st December 2023	30th June 2023	%
			Change
PERFORMANCE			
Net assets (£'000)	128,623	125,592	2.41
Net asset value per Ordinary share	181.10p	176.83p	2.41
Mid-market price per Ordinary share	116.00p	120.00p	(3.33)
Discount of price to net asset value	36.0%	32.1%	
	Six months ended 31st December 2023	Six months ended 31st December 2022	
Total Return*	3.38%	0.19%	
IA Mixed Investment 40-85% Shares (total return)	5.52%	0.89%	
MSCI AC World Index (total return, sterling adjusted)	7.19%	3.50%	
MSCI UK Index (total return)	5.58%	5.39%	
	Six months ended 31st December 2023	Six months ended 31st December 2022	
REVENUE			
Return (£'000)	1,467	735	
Return per Ordinary share	2.07p	1.04p	
Proposed dividend per Ordinary share	1.70p	0.90p	
Dividend paid per Ordinary share	1.70p	1.40p	
TOTAL RETURN			
Return (£'000)	4,238	241	
Net assets (dividend added back)	3.38%	0.19%	
Net assets	2.41%	(0.61)%	

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

INTERIM REPORT

CHAIRMAN'S STATEMENT

PERFORMANCE

Your Company's generated a total return of 3.38% over the six months to 31st December 2023, leaving the net asset value (NAV) per ordinary share at 181.10p. By comparison, the Investment Association's Mixed Investment 40-85% Shares Index gained 5.52%. The MSCI AC World Total Return Index gained 7.19% in sterling while the MSCI UK Total Return Index rose 5.58%. Over the period, global bonds returned 3.94%. Further information is provided in the investment manager's report.

Your Company made a revenue profit for the six months of £1,467,000 (2022: £735,000). The 2022 revenue profit was struck after the £385,000 direct management fee was deducted. Following a change in accounting treatment last year, direct management fees are now taken from capital.

GEARING AND DIVIDENDS

Your Company has no borrowings. It ended the period under review with cash representing 14.70% of its NAV and is likely to maintain a significant cash position. In respect of the six months to 31st December 2023, your Directors will pay an interim dividend of 1.70p per share (2022: 0.90p). Over the second half of 2023, your Company continued to increase its investments in income-yielding assets with the aim of enhancing its revenue and thus its dividend-paying capacity. Further purchases of income-yielding assets were made after the period end.

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

Global equities and bonds should benefit over the next few months from expectations that central banks will reduce interest rates in response to declining inflation and lacklustre economic growth, with equity market sectors such as technology likely to provide leadership. Lower interest rates may weaken the dollar, benefitting emerging markets, where economic growth is likely to be stronger than in major industrialised countries. Political risks are, however, likely to be more significant this year than in 2023, with elections being held in the US, some large emerging markets and probably the UK.

NET ASSET VALUE

Your Company's unaudited NAV at 29th February 2024 was 184.56p.

Geoffrey Howard-Spink
Chairman
21st March 2024

INVESTMENT MANAGER'S REPORT

MARKET REVIEW

Global equities and bonds rose 7.19% and 3.94% respectively in sterling over the six months to 31 December as investors became increasingly confident that interest rates had peaked for this monetary cycle and would soon be reduced in response to falling inflation. Some leading indicators suggested the global economy would deteriorate in 2024 but a soft, rather than a hard, landing is likely.

The Federal Reserve increased its official rate by a quarter percentage point to 5.25-5.5% in July. The Bank of England raised its Bank Rate a quarter point to 5.25% in August and a month later the European Central Bank raised its policy rate a quarter point to 4%. Since then, official interest rates have been on hold although monetary

policy has tightened somewhat because central banks have reduced their bond holdings. Interest rates are expected to fall in the second half of 2024, with inflation figures showing price rises trending down to central bank targets of 2%.

Inflation is now well below its 2022 peak. US personal consumption expenditures (PCE) inflation, the Fed's preferred measure, was 3.00% in June 2023 but had fallen to 2.40% by January 2024. Eurozone inflation fell from 5.5% in June 2023 to 2.6% in February 2024. The UK's consumer price index inflation rate fell from 7.9% in June 2023 to 3.4% in February 2024.

The US economy proved stronger than many forecasters feared, with gross domestic product (GDP) showing 4.9% and 3.2% year-on-year rises during the third and fourth quarters of 2023 as unemployment remained low and consumer spending strong. By contrast, eurozone GDP was flat over the period while the UK entered a technical recession, enduring two quarters of GDP decline.

The People's Bank of China cut its key reserve requirement ratio by a quarter point in September and a further half point in February 2024 to support the economy as Country Garden, once China's largest homebuilder, joined its rival, Evergrande, in defaulting on its debts, another sign of stress in the over-indebted property sector. Chinese stocks are likely to remain out of favour in 2024 for two reasons: US bipartisan support for sanctions against Chinese companies to protect US technological leadership and Beijing's regulatory intervention in private companies in pursuit of so-called "common prosperity". By contrast, India's economy is outpacing the Chinese economy. The International Monetary Fund (IMF) forecasts India's economy will grow 6.3% in 2024 compared to 4.2% for China.

PORTFOLIO REVIEW

Your Company's total return over the period under review was 3.38%. 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 5.52%. The MSCI All Companies World Total Return Index rose 7.19% in sterling while the MSCI UK Total Return Index rose 5.58%. Your Company benefited from investments in US stocks and global technology stocks while investments in some emerging market equity funds hurt performance.

US technology stocks rose 11.93% in sterling. Valuations in the technology sector and other growth sectors tend to rise in response to signs that interest rates are likely to fall because investors discount future cash flows less aggressively. Technology stocks also benefited as investors recognised the potential of artificial intelligence (AI). Nvidia, a top-three holding in Polar Capital Global Technology and the iShares S&P 500 exchange-traded fund (ETF), supplies semiconductors to artificial intelligence companies. It rose 16.77% in sterling over the period, helping Polar Capital Global Technology and the iShares S&P 500 ETF to rise 11.26% and 9.75% respectively.

Among your Company's other global equity holdings, Baillie Gifford Global Income Growth underperformed, up only 5.37%, in part because its income mandate biased it away from lower-yielding technology stocks towards higher-yielding industrials. The portfolio's largest holding was, however, Novo Nordisk, which gained 28.70% in sterling thanks to the success of its Wegovy weight-loss drug.

An increase in investments managed in accordance with their income mandate will support your Company's ability to pay an income. During the period, the Fundsmith Equity holding was reduced by £5.9 million, a further £2.5 million was invested in Baillie Gifford Global Income Growth and a further £4.7 million was invested in Redwheel Global Equity Income.

UK stocks lagged, rising only 5.58%, but smaller companies outperformed, up 8.86%. UK equities ended the period trading on relatively-low earnings multiples and above-average yields. Amongst your Company's UK equity income investments, Man GLG Income did best, returning 10.70%, but Trojan Income gained only 3.79% while Aberforth Split Level Income and Chelverton UK Equity Income, both small-cap specialists, rose 8.42% and 6.38% respectively.

Equities in Asia ex Japan and emerging market equities gained only 2.77% and 4.63% respectively in sterling, dragged lower by Chinese stocks, down 6.22%. Your Company's relatively-high allocation to these markets hurt

performance. Matthews Asia ex Japan Total Return Equity, which switched from an income to a total return mandate, fell 8.19%. Your Company's holding was reduced by £1.0 million. Somerset Asia Income, JP Morgan Emerging Markets Income and JP Morgan Global Emerging Markets Income Trust, an investment trust, outperformed, however, rising 4.38%, 4.18% and 3.06% respectively.

Indian equities outperformed, rising 14.87% in sterling. Narendra Modi, India's prime minister, is likely to win a third term in office in this year's election and a mandate to continue his pro-business policies. Stewart Investors Indian Subcontinent underperformed, however, rising 6.00%. Vietnamese stocks fell 2.25% in sterling as policy makers intensified their anti-corruption campaign. Vietnam Enterprise Investments underperformed, falling 4.13%.

Japanese stocks rose 6.88% in sterling but Lindsell Train Japan lagged and was sold. The gold price rose 6.78% in sterling and BlackRock Gold & General, which holds mining stocks, rose 6.75%. Your Company's unquoted investments account for less than 2.0% of the assets.

Investments in sterling and dollar cash generated significant income, with interest rates above 5% throughout the period. With interest rates likely to have peaked for this cycle, your Company has invested £3.1 million in longer-dated US government bonds through a sterling-hedged holding in the iShares Treasury Bond 7-10 year ETF. In line with most of the other portfolio changes made over the period, this investment aims to support growth in your Company's dividend. Further changes aimed at increasing income have been made since the period end.

OUTLOOK

There are grounds to be positive about equity and bond markets over the coming months because easier monetary policy should prove a tailwind for both asset classes. Economies have proved resilient so far in the face of rising interest rates despite well-established leading indicators suggesting the onset of recession. These include inverted yield curves as 10-year government bond yields fell below two-year yields and tighter lending conditions at commercial banks.

US stocks should perform well because the economic environment is likely to favour growth sectors such as technology and growing investor recognition of the commercial possibilities of AI. There are also grounds to be positive about emerging markets although it will probably pay to be cautious about China. Some developing countries have lower levels of public sector indebtedness than industrialised countries and better economic growth prospects. The International Monetary Fund predicts that developing countries will show 4% economic growth in 2024 against 1.4% for developed countries.

Political risks are likely, however, to move markets more this year than in 2023 because a large percentage of the world's population will be voting in general elections. Countries holding elections in 2024 include the US, India, Taiwan, Indonesia, Pakistan, South Africa and Mexico and probably the UK. Sterling and dollar cash, low-risk multi-asset investments, gold equities and bonds provide diversification and should prove defensive should equities fall.

Brompton Asset Management Limited
21st March 2024

DIRECTORS' REPORT

PERFORMANCE

In the six months to 31st December 2023 the total return per Ordinary share was 3.38% (2022: 0.19%) and the NAV per ordinary share increased to 181.10p, whilst the share price decreased by 3.33% to 116.00p. This compares to an increase of 5.52% in the IA Mixed Investment 40-85% Shares Index.

The Company made a revenue profit for the six months of £1,467,000 (2022: £735,000).

The management fee charged directly by Brompton is now allocated to the capital account. Compared with the corresponding period last year, the amount available for distribution has increased by £385,000 (£0.55p per share).

DIVIDEND

The Directors propose an interim dividend of 1.70p per Ordinary share in respect of the six months ended 31st December 2023 (2022: £0.90). The dividend will be paid on 29th April 2024 to shareholders on the register at the close of business on 2nd April 2024 (ex-dividend 28th March 2024).

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 (2022: 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 2023.

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 continues to monitor the geopolitical, societal, economic and market focused implications of the events in 2022 and 2023.

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 the portfolio risks below.

Macro-economic event risk: The scale and potential adverse impact of a macro-economic event, such as the Covid pandemic and wars, 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 to reduce the impact of the risks arising from the above factors by investing in a spread of asset classes, geographic regions and through investment funds.

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 several years, the Company's share price has been at a significant discount to the Company's net asset value. The Directors regularly review 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 Apex Fund Administration Services (UK) 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 limited financial commitments. Investment income has exceeded 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 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 financial statements of the Company are prepared in accordance with UK adopted international accounting standard. 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

Apex Fund Administration Services (UK) Limited
21st March 2024

SCHEDULE OF TOP TWENTY INVESTMENTS *at 31st December 2023*

	30th June 2023 £'000	Purchases/ (Sales)	Market Movement	31st Dec 2023 £'000	% of Net Assets
Polar Capital Global Technology	8,615	-	1,072	9,687	7.53
Baillie Gifford Global Income Growth	4,252	2,500	273	7,025	5.46
TM Redwheel Global Equity Income Fund	2,132	4,700	180	7,012	5.45
iShares Core S&P 500 UCITS ETF	5,327	-	404	5,731	4.46
First State Indian Subcontinent Fund	4,578	-	274	4,852	3.77
Aquilus Inflection Fund	4,544	-	175	4,719	3.67
EF Brompton Global Conservative Fund	4,439	-	133	4,572	3.56
BlackRock Continental European Income Fund	4,355	-	175	4,530	3.52
MI Chelverton UK Equity Income Fund	4,300	-	99	4,399	3.42
Fundsmith Equity Fund	9,745	(5,883)	168	4,030	3.13
BlackRock Gold & General	3,832	-	137	3,969	3.09
MI Somerset Asia Income Fund	3,782	-	35	3,817	2.97
EF Brompton Global Equity Fund	3,615	-	175	3,790	2.95
Aberforth Split Level Income Trust	3,526	-	79	3,605	2.80
EF Brompton Global Opportunities Fund	3,332	-	115	3,447	2.68
Vietnam Enterprise Investments	3,473	-	(166)	3,307	2.57
EF Brompton Global Growth Fund	3,159	-	121	3,280	2.55
MI Brompton UK Recovery Unit Trust	2,933	-	192	3,125	2.43
iShares \$ Treasury Bond 7-10yr UCITS ETF	-	3,057	(16)	3,041	2.36
Matthews Asia Ex Japan Total Return	4,266	(1,000)	(385)	2,881	2.24
	<u>84,205</u>	<u>3,374</u>	<u>3,240</u>	<u>90,819</u>	<u>70.61</u>
Balance not held in investments above	24,096	(2,281)	83	21,898	17.02
Total investments (excluding cash)	108,301	1,093	3,323	112,717	87.63
Cash	17,244	1,961	(292)	18,913	14.71
Other net current assets/(liabilities)	47	(3,054)	-	(3,007)	(2.34)
Net Assets	<u>125,592</u>	<u>-</u>	<u>3,031</u>	<u>128,623</u>	<u>100.00</u>

All of the above investments are investment funds with the exception of Aberforth Split Level Income Trust and Vietnam Enterprise Investments which are investment companies.

The investment portfolio, excluding cash, can be further analysed as follows:	£'000
Investment funds	91,487
Unquoted investments including loans of £0.7m	2,462
Investment companies and exchange traded funds	18,197
Other quoted investments	571
	<u>112,717</u>

STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31st December 2023 (unaudited)

		Six months ended 31st December 2023 (unaudited)		
		Revenue Return	Capital Return	Total Return
<i>Notes</i>		£ '000	£ '000	£ '000
INCOME				
		1,180	-	1,180
		474	-	474
	2	<u>1,654</u>	<u>-</u>	<u>1,654</u>
GAINS AND LOSSES ON INVESTMENTS				
		-	3,206	3,206
	5	-	(43)	(43)
		-	1	1
		<u>1,654</u>	<u>3,164</u>	<u>4,818</u>
EXPENSES				
		-	(393)	(393)
	3	(187)	-	(187)
		<u>(187)</u>	<u>(393)</u>	<u>(580)</u>
PROFIT BEFORE FINANCE COSTS AND TAX		<u>1,467</u>	<u>2,771</u>	<u>4,238</u>
		-	-	-
PROFIT BEFORE TAX		<u>1,467</u>	<u>2,771</u>	<u>4,238</u>
		-	-	-
PROFIT FOR THE PERIOD		<u>1,467</u>	<u>2,771</u>	<u>4,238</u>
EARNINGS PER SHARE				
		2.07p	3.90p	5.97p
	4	<u>2.07p</u>	<u>3.90p</u>	<u>5.97p</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.

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2022 and the year ended 30th June 2023

		Six months ended 31st December 2022 (unaudited)			Year ended 30th June 2023 (audited)		
	Notes	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
INCOME							
Investment income		1,101	-	1,101	1,997	-	1,837
Other operating income		191	-	191	457	-	20
Total income	2	<u>1,292</u>	<u>-</u>	<u>1,292</u>	<u>2,454</u>	<u>-</u>	<u>1,857</u>
GAINS AND LOSSES ON INVESTMENTS							
Gains/(losses) on investments at fair value through profit or loss	5	-	(594)	(594)	-	2,279	2,279
Other exchange (losses)/gains		-	99	99	-	(381)	(381)
Trail rebates		-	1	1	-	2	2
		<u>1,292</u>	<u>(494)</u>	<u>798</u>	<u>2,454</u>	<u>1,900</u>	<u>4,354</u>
EXPENSES							
Management fees	3	(385)	-	(385)	-	(775)	(775)
Other expenses		(163)	-	(163)	(332)	-	(332)
		<u>(548)</u>	<u>-</u>	<u>(548)</u>	<u>(332)</u>	<u>(775)</u>	<u>(1,107)</u>
PROFIT/(LOSS) BEFORE TAX		<u>744</u>	<u>(494)</u>	<u>250</u>	<u>2,122</u>	<u>1,125</u>	<u>3,247</u>
Tax		(9)	-	(9)	-	-	-
PROFIT/(LOSS) FOR THE PERIOD		<u>735</u>	<u>(494)</u>	<u>241</u>	<u>2,122</u>	<u>1,125</u>	<u>3,247</u>
EARNINGS PER SHARE							
Ordinary shares (pence)	4	<u>1.04p</u>	<u>(0.70)p</u>	<u>0.34p</u>	<u>2.99p</u>	<u>1.58p</u>	<u>4.57p</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.

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2023 (unaudited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2023	710	21,573	56,908	46,401	125,592
Total comprehensive income for the period	-	-	-	4,238	4,238
Dividend paid	-	-	-	(1,207)	(1,207)
At 31st DECEMBER 2023	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>49,432</u>	<u>128,623</u>

Included within retained earnings were £2,416,000 of Company reserves available for future distribution.

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2022 (unaudited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2022	710	21,573	56,908	44,787	123,978
Total comprehensive income for the period	-	-	-	241	241
Dividend paid	-	-	-	(994)	(994)
At 31st DECEMBER 2022	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>44,034</u>	<u>123,225</u>

STATEMENT OF CHANGES IN EQUITY

for the year ended 30th June 2023 (audited)

	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
At 30th JUNE 2022	710	21,573	56,908	44,787	123,978
Total comprehensive income for the year	-	-	-	3,247	3,247
Dividend paid	-	-	-	(1,633)	(1,633)
At 30th JUNE 2023	<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>46,401</u>	<u>125,592</u>

BALANCE SHEET
at 31st December 2023

	<i>Notes</i>	31st December 2023 (unaudited) £ '000	31st December 2022 (unaudited) £ '000	30th June 2023 (audited) £ '000
NON-CURRENT ASSETS				
Investments at fair value through profit or loss	5	<u>112,717</u>	<u>105,298</u>	<u>108,301</u>
CURRENT ASSETS				
Other receivables		323	152	345
Cash and cash equivalents		<u>18,913</u>	<u>18,024</u>	<u>17,244</u>
		<u>19,236</u>	<u>18,176</u>	<u>17,589</u>
TOTAL ASSETS		131,953	123,474	125,890
CURRENT LIABILITIES				
Other payables		<u>(3,330)</u>	<u>(249)</u>	<u>(298)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,623</u>	<u>123,225</u>	<u>125,592</u>
NET ASSETS		<u>128,623</u>	<u>123,225</u>	<u>125,592</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS				
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>49,432</u>	<u>44,034</u>	<u>46,401</u>
TOTAL EQUITY		<u>128,623</u>	<u>123,225</u>	<u>125,592</u>
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	7	<u>181.10p</u>	<u>173.50p</u>	<u>176.83p</u>

The interim report was approved and authorised for issue by the Board on 21st March 2024.

CASH FLOW STATEMENT

for the six months ended 31st December 2023

	Six months ended 31st December 2023 (unaudited) £ '000	Six months ended 31st December 2022 (unaudited) £ '000	Year ended 30th June 2023 (audited) £ '000
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>4,129</u>	<u>831</u>	<u>1,300</u>
INVESTING ACTIVITIES			
Purchase of investments	(11,374)	(6,442)	(9,812)
Sale of investments	10,164	-	3,240
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	<u>(1,210)</u>	<u>(6,442)</u>	<u>(6,572)</u>
FINANCING			
Equity dividend paid	(1,207)	(994)	(1,633)
NET CASH (OUTFLOW) / INFLOW AFTER FINANCING	<u>1,712</u>	<u>(6,605)</u>	<u>(6,905)</u>
(DECREASE) / INCREASE IN CASH	<u>1,712</u>	<u>(6,605)</u>	<u>(6,905)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease)/ Increase in cash resulting from cash flows	1,712	(6,605)	(6,905)
Exchange movements	(43)	99	(381)
Movement in net funds	1,669	(6,506)	(7,286)
Net funds at start of period/year	17,244	24,530	24,530
NET FUNDS AT END OF PERIOD/YEAR	<u>18,913</u>	<u>18,024</u>	<u>17,244</u>
RECONCILIATION OF PROFIT BEFORE FINANCE COSTS AND TAXATION TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Profit before finance costs and taxation *	4,238	250	3,247
Losses/(gains) on investments	(3,206)	594	(2,279)
Exchange gains	43	(99)	381
Capital trail rebates	(1)	(1)	(2)
Revenue profit before finance costs and taxation	1,074	744	1,347
Decrease/(increase) in debtors	22	106	(87)
(Decrease)/increase in creditors	3,032	(11)	38
Taxation	-	(9)	-
Capital trail rebates	1	1	2
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>4,129</u>	<u>831</u>	<u>1,300</u>

* Includes dividends received in cash of £1,034,000 (30th June 2023: £1,607,000) (2022: £1,012,000), accumulation income of £240,000 (30th June 2023: £218,000) (2022: £188,000) and interest received of £327,000 (30th June 2023: £586,000) (2022: £189,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31st December 2023

1. ACCOUNTING POLICIES

The condensed interim financial statements comprise the unaudited results of the Company for the six months ended 31st December 2023. The comparative information for the six months ended 31st December 2022 and the year ended 30th June 2023 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 2023 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 Company'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 2023, which were prepared in accordance with IFRSs.

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

2. TOTAL INCOME

	Six months ended 31st December 2023 £'000	Six months ended 31st December 2022 £'000	Year ended 30th June 2023 £'000
Income from Investments			
UK net dividend income	1,047	952	1,707
Unfranked investment income	104	125	175
UK fixed interest	29	24	115
	<u>1,180</u>	<u>1,101</u>	<u>1,997</u>
Other Income			
Bank interest receivable	474	191	457
	<u>474</u>	<u>191</u>	<u>457</u>
	Six months ended 31st December 2023 £'000	Six months ended 31st December 2022 £'000	Year ended 30th June 2023 £'000
Total income comprises			
Dividends	1,151	1,077	1,882
Other income	503	215	572
	<u>1,654</u>	<u>1,292</u>	<u>2,454</u>

3. MANAGEMENT FEES

	Six months ended 31st December 2023 £'000	Six months ended 31st December 2022 £'000	Year ended 30th June 2023 £'000
Investment management fee	<u>393</u>	<u>385</u>	<u>775</u>
	<u>393</u>	<u>385</u>	<u>775</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 2023 £'000	Six months ended 31st December 2022 £'000	Year ended 30th June 2023 £'000
Revenue return	1,467	735	2,122
Capital return	2,771	(494)	1,125
Total return	<u>4,238</u>	<u>241</u>	<u>3,247</u>
Weighted average number of Ordinary shares	71,023,695	71,023,695	71,023,695
Revenue return per Ordinary share	2.07p	1.04p	2.99p
Capital return per Ordinary share	3.90p	(0.70)p	1.58p
Total return per Ordinary share	<u>5.97p</u>	<u>0.34p</u>	<u>4.57p</u>

5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	At 31st December 2023 £'000	At 31st December 2022 £'000	At 30th June 2023 £'000
COMPANY	<u>112,717</u>	<u>105,298</u>	<u>108,301</u>

ANALYSIS OF INVESTMENT

PORTFOLIO

Six months ended 31st December 2023

	Quoted* (level 1 and 2) £'000	Unquoted** (level 3) £'000	Total £'000
Opening book cost	78,281	10,729	89,010
Opening investment holding gains/(losses)	27,530	(8,239)	19,291
Opening valuation	<u>105,811</u>	<u>2,490</u>	<u>108,301</u>
Movement in period:			
Purchases at cost	11,374	-	11,374
Sales			
- Proceeds	(10,078)	(86)	(10,164)
- Realised gains on sales	4,363	-	4,363
Movement in investment holding gains/(losses)	(1,215)	58	(1,157)
Closing valuation at 31 December 2023	<u>110,255</u>	<u>2,462</u>	<u>112,717</u>
Closing book cost	83,940	10,643	94,583
Closing investment holding gains/(losses)	26,315	(8,181)	18,134
Closing valuation	<u>110,255</u>	<u>2,462</u>	<u>112,717</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 £4,719,000 (30th June 2023 £4,544,000) (2022: £4,112,000).

** The Unquoted investments, representing just under 2% of the Company's NAV, have been valued in accordance with IPEVC valuation guidelines. The largest unquoted investment amounting to £1,215,000 (30th June 2023: £1,215,000) (2022: £700,000) was valued at the recent transaction price. The second largest investment has been valued at fair value. A 10% increase or decrease in the earnings of either of these 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 2023 £'000	Six months ended 31st December 2022 £'000	Year ended 30th June 2023 £'000
ANALYSIS OF CAPITAL (LOSSES)/GAINS			
Realised gains on sales of investments	4,363	-	1,443
(Decrease)/increase in investment holding gains	(1,157)	(594)	836
	<u>3,206</u>	<u>(594)</u>	<u>2,279</u>

6. RETAINED EARNINGS

	At 31st December 2023 £'000	At 31st December 2022 £'000	At 30th June 2023 £'000
Capital reserve – realised	28,882	24,766	24,955
Capital reserve – revaluation	18,134	17,861	19,291
Revenue reserve	2,416	1,407	2,155
	<u>49,432</u>	<u>44,034</u>	<u>46,401</u>

7. NET ASSET VALUE PER ORDINARY SHARE

	31st December 2023 £'000	31st December 2022 £'000	30th June 2023 £'000
Net assets attributable to Ordinary shareholders	<u>128,623</u>	<u>123,225</u>	<u>125,592</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>181.10p</u>	<u>173.50p</u>	<u>176.83p</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 LLP.

The total investment management fee payable to Brompton for the half year ended 31st December 2023 was £393,000 (30th June 2023: £775,000) (2022: £385,000) and at the half year £196,000 (30th June 2023: £194,000) (2022: £192,000) was accrued.

The Company's investments include seven funds managed by Brompton or its associates valued at £22,981,000 (30th June 2023: £22,100,000) (2022: £21,697,000). No investment management fees were payable directly by the Company in respect of these investments.

The Company has equity and Loan investments of £300,000 (30th June 2023: £500,000) in an investment management company in which a related party of Mr Duffield holds a minority stake.