THE BRUNNER INVESTMENT TRUST PLC
HALF-YEARLY FINANCIAL REPORT
For the six months ended 31 May 2021

Financial Headlines
For the six months from 30 November 2020 to 31 May 2021

- Net asset value (debt at fair value) per share rose by 11.4% (2020: -6.9%)
- Net asset value (debt at par) per share rose by 10.6% (2020: -5.9%)
- Earnings per ordinary share increased by 35.7% to 11.4p (2020: 8.4p)
- Dividends for the half year increased by 0.6% to 9.40p[1] (2020: 9.34p)
- Net asset value total return (debt at fair value) per share rose by 12.4% (2020: -5.9%)
- Net asset value total return (debt at par) per share rose by 11.5% (2020: -4.9%)
- Benchmark index total return rose by 11.3% (2020: -5.4%)
- Share price total return rose by 18.2% (2020: -8.4%)
- Discount of net asset value (debt at fair value) to share price 9.3% and an average of 13.4% over the period (2020: 10.7%, average over the period 5.8%)

	Six months ended 31 May 2021	Six months ended 31 May 2020	% change
Revenue			
Available for ordinary dividend	£4,874,000	£3,567,000	+36.6
Earnings per ordinary share	11.4p	8.4p	+35.7
Interim dividends per ordinary share	9.40p[1]	9.34p	+0.6
Consumer price index	301.9	292.2	+3.3

Assets	At 31 May 2021	At 30 November 2020	% change
Net asset value per ordinary share (debt at fair value)	1,087.1p	975.5p	+11.4
Net asset value per ordinary share (debt at par)	1,093.4p	988.7p	+10.6
Ordinary share price	986.0p	842.0p	+17.1
Total net assets (debt at fair value)	£464,116,000	£416,486,000	+11.4
Total net assets (debt at par)	£466,803,000	£422,099,000	+10.6

Performance relative to the benchmark for the six months to 31 May 2021

Net Asset Value with debt at fair value relative to Benchmark[2]	Capital Return	Total Return[3]
Change in net asset value	+11.4%	+12.4%
Change in benchmark	+9.9%	+11.3%
Percentage point performance against benchmark[2]	+1.5	+1.1

[1]First interim 4.7p, second interim 4.7p
[2] The benchmark applied is 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.
[3]Total returns are calculated with net dividends reinvested

Interim Management Report

Half-yearly report

The first six months of the company's financial year has in many ways been no less tumultuous than the preceding half-year in terms of global events. The COVID pandemic continues to cast a shadow over humanity worldwide, with many nations still witnessing a heavy toll on their populations. This is being mitigated as far as possible by the efforts of those working tirelessly to beat the virus, whether the frontline healthcare workers, medical profession and the scientific community, or policy makers looking to balance impact on health with impact on economies.

What investors have noted, however, is that whilst considerable near-term uncertainty about the 'post'-COVID outlook perpetuates around the globe, the backdrop has been one of opportunity for those prepared to look beyond the short-term.

Encouraging demand

There was continuing pressure on the company's share price during the period. As a result efforts were redoubled in sales (direct interaction with professional investors), marketing and PR (indirectly raising the profile of Brunner to both private and professional investors). We have seen first-hand the benefits of this approach with additional demand for shares generated which helped narrow the discount, as both new and existing investors bought shares. Such efforts to ensure continuing demand for shares are beneficial for all shareholders, both in terms of the discount, but also bringing new investors to the share register and improving the liquidity of the shares in the market.

Your board remains confident that the Brunner investment philosophy is well suited to the increasing numbers of investors we see joining the share register, either as private self-directed investors through the investment platforms or underlying clients of the wealth management firms.

Performance

Against a continuing background over the period of competing positive and negative factors for companies to navigate, the company's Net Asset Value per ordinary share recorded an increase of 12.4% on a total return basis. The benchmark total return (70% FTSE World Index Ex UK and 30% FTSE All-Share Index) increased by 11.3% over the period. The attribution of the absolute and relative investment performance of the portfolio is examined in the Investment Manager's report.

Earnings

We are pleased to report recovery in dividend payments amongst portfolio companies through the period. However, whilst many payments have been reinstated, aggregate earnings remain below pre-COVID levels of 12.6p for the six months to 31 May 2019. Earnings increased by 35.7% to 11.4p per ordinary share in the six months to 31 May 2021 (2020: 8.4p). Brunner continues to have strong revenue reserves which exist to support dividend payments in times when earnings are constrained. The board intends to continue to use these reserves as necessary to maintain our steadily growing dividend while earnings recover to a level where the dividend is covered. Encouragingly, the manager is seeing dividend payment expectations improving slightly beyond expectations for the year ahead and keeping us on track to return to covering the dividend in future years.

Dividends

In June the board declared a first interim dividend of 4.70p per ordinary share which is payable on 22 July 2021, a small increase on the payment made for the first quarter in the previous year. The board has now declared a second interim dividend of 4.70p per ordinary share payable on 16 September 2021 to holders on the register of members at the close of business on 6 August 2021. A Dividend Reinvestment Plan (DRIP) is available for this dividend and the relevant election date is 20 August 2021.

The board anticipates that the third interim dividend will be maintained at this rate, and an unchanged final dividend of 6.05p will be proposed for the year ending 30 November 2021, giving a dividend for the year of 20.15p, a small increase on the previous year. As dividend payments for the year may not be fully covered by earnings per share we will be able to support the distribution from the company's substantial accumulated revenue reserves if required. As mentioned in the Annual Report for the year to 30 November 2020, the revenue reserves, after paying the 2020 dividends, were 24.5p per share, Revenue reserves are retained for this purpose and remain an important differentiator of the closed-end investment trust structure. The board is continuing to balance the interim payments to bring them in line with the final.

Material events and transactions

In the six months ended 31 May 2021 there were no share buy backs or share issuances and no related party transactions nor have there been any since the period end.

Principal Risks
As noted in the Annual Report for the year to 30 November 2020, the impact of the COVID-19 pandemic has tested all companies. Since the publication of the Annual Report the board has kept in close contact with the manager regarding investments. The manager has also retained contact with other third party service providers to understand their responses to the pandemic and in particular actions taken to mitigate the effects of the pandemic on the company and its business.

The principal risks facing the company are set out on in a table on pages 14 and 15 of the Annual Report for the year ended 30 November 2020 together with commentary on the board's approach to mitigating the risks, under the following headings: Portfolio Risk; Business Risk; Operational Risk; and Emerging Risks and Uncertainties. These continue to be the principal risks facing the company.

The board oversees a detailed review of the principal risks by the audit committee at least twice a year to ensure the risk assessment is current and relevant, adjusting mitigating factors and procedures as appropriate.

Going concern
The directors have considered the company's investment objective and capital structure both in general terms and in the context of the COVID-19 pandemic. Having noted that the portfolio, which is constructed by the portfolio manager on a bottom up basis, consists mainly of securities which are readily realisable, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have also considered the risks and consequences of the COVID-19 pandemic on the operational aspects of the company and have concluded that the company has the ability to continue in operation and meet its objectives in the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Responsibility Statement
The directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 102 and FRS 104, as set out in Note 2, and the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and

- The interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- The interim management report includes a fair review of the information concerning related parties transactions as required by the Disclosure and Transparency Rule 4.2.8 R.

The half-yearly financial report was approved by the board on 20 July 2021 and the above responsibility statement was signed on its behalf by the Chairman.

AGM
In the continuing pandemic-restricted environment earlier in the period, the company's AGM was once again held as a closed-meeting with voting conducted through the proxy voting process. All resolutions put to the AGM were passed. The directors and I look forward to meeting with shareholders when the situation allows a physical AGM to take place once again.

Outlook
It is unclear how nations and economies will emerge from the pandemic over the coming months. That said, there appear to be good levels of confidence overall in the global recovery and potential headwinds are unlikely to derail well run businesses. Individual sectors still show a diverse range of outcomes though, depending on how they are being affected by the ongoing machinations of the pandemic. One of the biggest talking points right now is the spectre of rising inflation – however this is not a one size fits all scenario. Indeed, for many companies having strong pricing power, it could prove advantageous at controlled levels. Against this backdrop our investment manager looks through the noise of economic recovery and geopolitics, concentrating instead on the longer-term prospects for individual companies and the trends that

will drive their growth. That approach underpins the Brunner investment philosophy and we would refer you to the manager's Investment Report where this is explored in more detail, both in terms of the events and performance of the past six months, and also the outlook for the future.

Carolan Dobson
Chairman

Investment Manager's Review

Market Review

On the surface, global equity markets have ploughed a steady course upwards since the start of the trust's financial year in December. A line chart of the MSCI All Country World Index – a broad proxy for global stocks – shows almost uninterrupted gains of 9.2%[1]. The seeming ease of this ascent belies a more complex picture underneath.

Early November saw the election of President Biden in the US, followed swiftly by news that the Pfizer/BioNtech COVID-19 vaccine trial had proved highly effective. In combination, these events drove a sharp rotation in equity markets. Companies which had all but ceased operating in lockdown saw their share prices skyrocket immediately in the expectation of a quick return to normality. Travel operators, leisure companies and hotels were some of the most obvious beneficiaries. Other cyclical sectors such as banks and energy also recovered.

Equity markets have been trying to process the implications of economic reopening ever since. At a sector level, companies with highly cyclical earnings profiles have continued to make the strongest gains, thanks in part to a massive leap in earnings expectations from the depressed 2020 level. Over six months, Energy and Financials have risen over 20% each, with Materials adding 18%. More defensive sectors like Consumer Staples, Health Care and Utilities are almost flat by comparison.

Reopening has not been universally smooth. Reported links between the AstraZeneca vaccine and a higher rate of blood clots further delayed vaccine rollouts in Europe, coupled with initial disputes over contract terms. Vaccine hesitancy in some nations, as well as new variants of the COVID-19 virus, have further slowed progress. The latest Delta variant of COVID-19 appears to spread faster, although vaccinations remain effective against it. Overall, progress in developed countries such as the US and UK has been far faster than that of developing ones, like India.

Where restrictions are lifting, pent-up demand is bringing consumption back to, and in some cases above, levels seen before the pandemic. At the same time, resurgent demand is contending with lower supply of raw materials, amidst ongoing COVID-19 related supply chain disruptions. The resulting squeeze is driving up prices across the board. Lumber and copper both reached historic highs in recent months, whilst oil prices have fully recovered to pre pandemic levels

Inflation data are starting to reflect this. In May, consumer price inflation in the US and UK reached 5.0% and 2.1%, respectively. Infrastructure plans from central government to "build back better", whether in the US, UK or Europe, only add further fuel to expectations that economies will continue to run hot. For now, monetary policy remains accommodative with central bankers viewing the spike in prices as "transitory". Even so, speculation is growing that support measures may start to be tapered later this year.

Portfolio Review

Over the six-month period to the end of May 2021, the trust's equity portfolio delivered a satisfactory performance, resulting in an NAV total return of 12.4% after expenses and the movement in the value of the debt, compared with the benchmark return of 11.3%.

The portfolio's attribution reflects the dynamics outlined in the market review section. The strongest contributors came from holdings in more cyclical industries, whilst the companies whose earnings are considered to be defensive tended to lag. It is important to remember that our portfolio construction approach aims to make stock selection the primary driver of risk and return, as opposed to macro-economic or factor biases. The investment manager's approach is to focus on longer term fundamental drivers that will outlast the shorter-term ups and downs of economic and financial market cycles. This is where we can add the most value.

For example, stock selection within the health care sector made a positive contribution, but the trust's large overweight to this relatively defensive sector was a drag on returns during the period. Similarly, within financials, our holdings have a bias towards asset-light business models in sub sectors such as payments, exchanges and wealth management. Such companies have delivered superior shareholder returns over the long term but have lagged more cyclical areas such as banks in recent months.

The natural balance within the portfolio means we also hold many companies that stand to benefit from a cyclical recovery. Our cyclical holdings are in companies that we believe can grow and compound value over a full economic cycle. The stock market rotation in favour of such companies made them the largest positive contributors to performance during the six month period.

On a single stock basis, **Tyman** made the strongest contribution. The company manufactures components for windows and doors and benefits from dominant market shares in a number of niche sub markets. The shares responded very well as the company reported strong trading on the back of a rapid recovery in the US market. Earnings forecasts have risen sharply and the valuation has also re-rated.

Partners Group has also boosted returns. Despite expectations of a higher interest rate environment, appetite for private equity investment remains very strong. May saw the company raise almost half a billion dollars for a direct lending fund targeting mainly US assets. The month also saw Partners sell a 25% stake in the private education provider International Schools Partnership. The sustained activity is testament to Partners' competitive advantage and ability to execute profitably irrespective of the economic background.
Bright Horizons made the weakest contribution to the portfolio. By March of this year, shares in the provider of childcare had largely recovered from their COVID lows. Yet in the run up to Q1 results, the shares weakened as investors feared fewer parents returning to the workplace fulltime would translate into weaker financial results. Bright Horizons remains confident that, with time, the resilient nature of urban demand and their adaptable pricing will drive a full recovery. Our own independent research into this question is broadly supportive of the company's view, however until there is greater visibility on parental behaviour, some continued volatility is to be expected.

Ecolab also weakened returns. Parts of Ecolab's business have been impacted by COVID-19 restrictions and the recovery has been somewhat slower than anticipated. In addition, rising commodity prices and other cost inflation may also weaken margins in the near-term, although Ecolab has the pricing power to offset this over the longer-term. We reduced the trust's position modestly due to the rich valuation, but continue to maintain a holding in this high quality company.

In the past six months, we have made relatively few new purchases or total exits, despite the shift in markets. The significant transactions detailed below were all driven by fundamental stock specific considerations, which we believe improve the portfolio's overall quality, growth and valuation profile.

Significant Transactions

Early on in the year we exited our holding in **Citigroup**. Shares in the global bank rallied strongly as the economic outlook improved. The company derives a significant proportion of profits from net interest income, and so is expected to benefit from much anticipated higher interest rates. However, it is this unpredictable and unreliable characteristic which motivated our sale. The company's reliance on net interest margins was expected to decrease over time, but this has not happened making the business model's profitability hard to predict.

Our exit paved the way to initiate a position in **Fleetcor**, a business to business payments technology company. The digitalisation of corporate payments is a long-term structural trend as businesses seek to improve efficiency, offer more flexibility to their employees and reduce fraud. Fleetcor does have exposure to some cyclical industries which negatively impacted earnings during 2020. A historically low valuation combined with compelling structural growth drivers and the prospect of a reopening of the global economy provided an opportunity to initiate the position at an attractive price.

In March, we increased the position in the online trading platform **IG Group**. The shares had de-rated due to a $1 billion acquisition of US company, tastytrade. IG Group serves sophisticated retail and professional customers and has an impressive track record of profitable growth. In our view, the acquisition of a high-end futures and options brokerage operating in a fast-growing market neatly complements this. We substantiated this view with the aid of some proprietary Grassroots research, and felt the shares' weakness to be unmerited.

In April, we sold our position in **ITV**, the broadcasting and production house, reinvesting the proceeds into **RELX**, a provider of business to business data and analytics. ITV had rallied over 100% from its lows in March last year thanks to an improved outlook for advertising and the continued strength of its content unit. However, the pandemic has accelerated the structural disruption of viewing habits, calling into question the longer-term investment case. RELX by contrast offers stable growth through its dominant market positions within the legal, academic and insurance markets, with additional upside potential from a recovery in exhibitions and transaction-related revenues. The company's defensive qualities are out of favour with the stock market right now, resulting in a de-rating to an attractive long-term valuation.

Within utilities, we reduced the holding in **Enel**, investing the proceeds into **National Grid**, which is now the trust's largest utility holding. Enel has performed strongly over our holding period, enjoying a sizeable valuation re-rating as the value of the renewables exposure has increased. National Grid on the other hand has been depressed due to the complexities and uncertainties around the framework that the UK regulator will set for the next regulatory review period. With this uncertainty now passed, the company is set to enjoy a period of operational stability and steady growth.

Market Outlook

As financial markets start to look beyond COVID-19, the subject of inflation has emerged, not only as a risk factor but also as a potential catalyst for a sustained shift in market leadership away from the growth stocks that have driven the market in recent years.

In the shorter term there is no question that the global economy is facing heightened inflationary pressures. Many companies have already warned about rising cost pressures and it is clear from our own company meetings that this is a major focus area for many management teams. These pressures are most obvious in the movements of commodities like iron ore and copper which have reached multi-year highs, but is also evident in many food products, timber prices and oil. As well as commodity costs, there are pressures on logistics networks and supply chains, partly caused by social distancing or COVID-19 related labour shortages, and partly by continuing trade tensions. There is also the risk that as economies open up again, some capacity will have been permanently destroyed - for example restaurants and leisure operations that have closed down – and that could lead to higher prices for services from the remaining operators.

This is all well known and largely discounted into share prices already. The key question is whether shorter term inflationary pressures are sustained into 2022 and beyond. Scepticism is warranted - there have been a number of such instances since the global financial crisis, but in each case inflation failed to take hold. There are however some notable differences today, such as a more expansionary fiscal policy regime and a less favourable environment for global trade. On the other hand, long term structural forces such as digitalisation and high and rising debt burdens will continue to exert deflationary pressure. The investment manager's view, on balance, is that the macro economic environment is perhaps less deflationary than it was during the previous decade but is not yet an outright inflationary one.

From an investment perspective, we believe owning quality companies on sensible valuations provides the best defence against a volatile and unpredictable inflationary environment. Such business models typically enjoy strong pricing power making them well equipped to pass on the impact of higher costs to their end customers whilst protecting their own profitability. In contrast, highly capital-intensive business models may suffer as they grapple with cost pressures and rising capex bills. Very highly valued growth stocks that are extremely sensitive to interest rates may also suffer if interest rates rise along with inflation. The trust's portfolio has a strong bias towards quality, whilst also having a keen eye on valuation, and is therefore well positioned to deal with inflation should it arise.

Where we are not taking a strong stance is on cyclicality, in contrast to some commentators who have linked inflation with the outperformance of cyclical companies. Over the longer term, we find that stock prices tend to follow company earnings growth, the only exception being when near term valuations are extremely inflated. This holds true for both cyclical and defensive companies. While we do hold many companies with an element of cyclical exposure, cyclicality itself is never the main driver. Indeed, we expect these companies to grow ahead of their competitors over the long term irrespective of the economic environment.

As the economy transitions slowly but surely into the post COVID-19 era, we anticipate that the wild swings in stock markets may become less pronounced. In the shorter term there may continue to be some volatility, but by 2022 it is likely that a more normal environment will exist for the vast majority of companies. At the same time, long term secular forces such as the growth of the digital economy and demographics will reassert themselves as some companies and industries benefit whilst others suffer. Earnings disappointments are likely to be punished much more severely. Against such a backdrop we expect share prices to be driven much more by underlying longer term fundamentals rather than shorter term cyclical considerations.

Matthew Tillett
Allianz Global Investors

[1] All data in GBP as of 31 May 2021 unless stated.

BRUNNER INVESTMENT TRUST PLC
INVESTMENT PORTFOLIO AS AT 31 MAY 2021

Listed Equity Holdings

Name	Value £'000s	% of Invested Funds	
Microsoft	21,493	4.37	Software & Computer Services
UnitedHealth	19,883	4.05	Health Care Providers
Agilent	14,516	2.95	Medical Equipment & Services
Taiwan Semiconductor	14,069	2.86	Technology Hardware & Equipment
Accenture	13,937	2.84	Industrial Support Services
Roche Holdings	13,446	2.74	Pharmaceuticals & Biotechnology
The Cooper Companies	13,310	2.72	Medical Equipment & Services
Visa	12,669	2.58	Industrial Support Services
Munich Re	12,179	2.48	Non-Life Insurance
Estée Lauder	11,890	2.42	Personal Goods
AbbVie	11,624	2.37	Pharmaceuticals & Biotechnology
AIA	11,258	2.29	Life Insurance
Microchip Technology	11,195	2.28	Technology Hardware & Equipment
Schneider Electric	11,052	2.25	Electronic & Electrical Equipment
Partners Group	10,649	2.17	Investment Banking & Brokerage
Adidas	9,898	2.01	Personal Goods
AMETEK	9,441	1.92	Electronic & Electrical Equipment
Itochu	9,087	1.85	General Industrials
Novo Nordisk	8,944	1.82	Pharmaceuticals & Biotechnology
National Grid	8,688	1.77	Gas, Water & Multi-Utilities
Unilever	8,451	1.72	Personal Care, Drug & Grocery
St. James's Place	8,382	1.71	Investment Banking & Brokerage
Ecolab	8,343	1.70	Chemicals
LVMH Moet Hennessy Louis Vuitton	7,878	1.60	Personal Goods
Tyman	7,712	1.57	Construction & Materials
Charles Schwab	7,670	1.56	Investment Banking & Brokerage
Yum China Holdings	7,456	1.52	Travel & Leisure
Atlas Copco	7,328	1.49	Industrial Engineering
Redrow	7,134	1.45	Household Goods & Home Construction
TotalEnergies	6,881	1.40	Oil, Gas & Coal
Iberdrola	6,796	1.38	Electricity
Assa Abloy	6,787	1.38	Construction & Materials
GlaxoSmithKline	6,721	1.37	Pharmaceuticals & Biotechnology
Booking Holdings	6,663	1.36	Travel & Leisure
CME Group	6,634	1.35	Investment Banking & Brokerage
SThree	6,375	1.30	Industrial Support Services
Nestle	6,337	1.29	Food Producers
Intuitive Surgical	6,164	1.25	Medical Equipment & Services
Royal Dutch Shell ‘B’ Shares	6,160	1.25	Oil, Gas & Coal
Intuit	6,155	1.25	Software & Computer Services
Rio Tinto	6,064	1.23	Industrial Metals & Mining

DCC	5,988	1.22	Industrial Support Services
RELX	5,975	1.22	Media
Enel	5,942	1.21	Electricity
UBS	5,756	1.17	Investment Banking & Brokerage
Amphenol	5,693	1.16	Technology Hardware & Equipment
Fresenius	5,643	1.15	Health Care Providers
Stock Spirits Group	5,226	1.06	Beverages
Amadeus	4,940	1.01	Software & Computer Services
Fleetcore Technologies	4,839	0.98	Industrial Support Services
International Flavors & Fragrances	4,678	0.95	Chemicals
Brambles	4,526	0.92	General Industrials
Bright Horizons Family Solutions	4,384	0.89	General Retailers
IG Group	4,085	0.83	Investment Banking & Brokerage
Lloyds Banking Group	3,991	0.81	Banks
MERLIN Properties	3,982	0.81	Real Estate Investment Trusts
Helical	3,951	0.80	Real Estate Investment & Services
Ashmore	3,762	0.77	Investment Banking & Brokerage
Astellas Pharma	3,613	0.74	Pharmaceuticals & Biotechnology
Jiangsu Express	3,577	0.73	Industrial Transportation
Australia & New Zealand Bank	3,434	0.70	Banks
	491,304	**100%**	

Unlisted Equity Holdings

Name	**Value £'000s**	**% of Invested Funds**	
Fintrust Debenture	4	-	Financial Services
	4	**-**	

GEOGRAPHICAL ANALYSIS AS AT 31 MAY 2021

Region	% of Invested Funds
North America	42.47
Continental Europe	27.36
UK	20.08
Pacific Basin	7.50
Japan	2.59
Total	100.00

SECTORAL ANALYSIS AS AT 31 MAY 2021

Sector	% of Invested Funds
Health Care	21.16
Industrials	21.03
Financials	15.84
Technology	12.93
Consumer Discretionary	12.47
Utilities	4.36
Consumer Staples	4.07
Basic Materials	3.88
Energy	2.65
Real Estate	1.61
Total	100.00

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2021

	Revenue £'000s	Capital £'000s	Total Return £'000s (Note 2)
Gains on investments held at fair value through profit or loss	-	45,472	45,472
Losses on foreign currencies	-	(51)	(51)
Income from investments	6,413	-	6,413
Investment management fee	(317)	(739)	(1,056)
Administration expenses	(328)	(1)	(329)
Profit before finance costs and taxation	5,768	44,681	50,449
Finance costs: interest payable and similar charges	(130)	(274)	(404)
Profit on ordinary activities before taxation	5,638	44,407	50,045
Taxation	(764)	-	(764)
Profit after taxation attributable to ordinary shareholders	**4,874**	**44,407**	**49,281**
Earnings per ordinary share (Note 1) (basic and diluted)	**11.42p**	**104.01p**	**115.43p**

BALANCE SHEET

as at 31 May 2021

	£'000s
Investments held at fair value through profit or loss (Note 3)	491,308
Net current assets	875
Total assets less current liabilities	**492,183**
Creditors: amount falling due after more than one year	(25,380)
Total net assets	**466,803**
Called up share capital	10,673
Capital redemption reserve	5,327
Capital reserves	435,455
Revenue reserve	15,348
Equity shareholders' funds	**466,803**
Net asset value per ordinary share	**1,093.4p**

The net asset value is based on 42,692,727 ordinary shares in issue at 31 May 2021

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT
for the six months ended 31 May 2020

	Revenue £'000s	Capital £'000s	Total Return £'000s (Note 2)
Losses on investments held at fair value through profit or loss	-	(21,997)	(21,997)
Gains on foreign currencies	-	72	72
Income from investments	4,985	-	4,985
Other income	2	-	2
Investment management fee	(268)	(626)	(894)
Administration expenses	(363)	(1)	(364)
Profit (Loss) before finance costs and taxation	4,356	(22,552)	(18,196)
Finance costs: interest payable and similar charges	(142)	(301)	(443)
Profit (Loss) on ordinary activities before taxation	4,214	(22,853)	(18,639)
Taxation	(647)	-	(647)
Profit (Loss) after taxation attributable to ordinary shareholders	**3,567**	**(22,853)**	**(19,286)**
Earnings (Loss) per ordinary share (Note 1) (basic and diluted)	**8.36p**	**(53.53p)**	**(45.17p)**

BALANCE SHEET
as at 31 May 2020

	£'000s
Investments held at fair value through profit or loss (Note 3)	400,806
Net current assets	4,212
Total assets less current liabilities	**405,018**
Creditors: amount falling due after more than one year	(25,068)
Total net assets	**379,950**
Called up share capital	10,673
Capital redemption reserve	5,327
Capital reserves	348,161
Revenue reserve	15,789
Equity shareholders' funds	**379,950**
Net asset value per ordinary share	**890.0p**

The net asset value is based on 42,692,727 ordinary shares in issue at 31 May 2020

STATEMENT OF CHANGES IN EQUITY

	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
Six months ended 31 May 2020					
Net assets at 1 December 2019	10,673	5,327	371,014	16,773	403,787
Revenue profit	-	-	-	3,567	3,567
Dividends on ordinary shares (Note 4)	-	-	-	(4,551)	(4,551)
Capital loss	-	-	(22,853)	-	(22,853)
Net assets at 31 May 2020	**10,673**	**5,327**	**348,161**	**15,789**	**379,950**
Six months ended 31 May 2021					
Net assets at 1 December 2020	10,673	5,327	391,048	15,051	422,099
Revenue profit	-	-	-	4,874	4,874
Dividends on ordinary shares (Note 4)	-	-	-	(4,577)	(4,577)
Capital profit	-	-	44,407	-	44,407
Net assets at 31 May 2021	**10,673**	**5,327**	**435,455**	**15,348**	**466,803**

CASH FLOW STATEMENT

	Six months ended 31 May 2021 £000's	Six months ended 31 May 2020 £000's
Operating activities		
Profit (Loss) before finance costs and taxation	50,449	(18,196)
Less: (Gains) Losses on investments held at fair value through profit or loss	(45,472)	21,997
Add: Special dividends credited to capital	-	3
Less: Losses (Gains) on foreign currency	51	(72)
Less: Overseas tax suffered	(764)	(647)
(Increase) Decrease in other receivables	(223)	284
Increase (Decrease) in other payables	47	(111)
Purchases of fixed asset investments held at fair value through profit or loss	(25,242)	(41,800)
Sales of fixed asset investments held at fair value through profit or loss	24,789	52,665
Net cash inflow from operating activities	**3,635**	**14,123**
Financing activities		
Interest paid	(393)	(422)
Revolving Credit Facility drawdown	2,500	2,000
Revolving Credit Facility repayment	(2,500)	-
Dividend paid on cumulative preference stock	(11)	(11)
Dividends paid on ordinary shares	(4,577)	(4,551)
Net cash outflow from financing activities	**(4,981)**	**(2,984)**
(Decrease) Increase in cash and cash equivalents	**(1,346)**	**11,139**
Cash and cash equivalents at the start of the period	8,961	2,327
Effect of foreign exchange rates	(51)	72
Cash and cash equivalents at the end of the period	7,564	13,538
Comprising:		
Cash at bank	7,564	13,538

Notes to the Financial Statements

Note 1

The returns per ordinary share have been calculated using a weighted average number of shares in issue of 42,692,727 (31 May 2020: 42,692,727 shares).

Note 2

The total column of this statement is the profit and loss account of the company.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the period.

Purchases for the half year ended 31 May 2021 were £24,479,000 (31 May 2020: £39,254,000) and sales for the half year ended 31 May 2021 were £23,759,000 (31 May 2020: £52,017,000).

Included in the cost of investments are transaction costs on purchases which amounted to £85,000 (31 May 2020: £124,000) and transaction costs on sales which amounted to £9,000 (31 May 2020: £17,000).

Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12. Investments are initially recognised at fair value, which is determined to be their cost. Subsequently, investments are revalued at fair value which is the bid market price for listed investments.

FRS 102 fair value hierarchy disclosures (March 2016) sets out three fair value levels.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly

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

As at 31 May 2021, the financial assets at fair value through profit and loss of £491,308,000 (30 November 2020: £445,116,000) are categorised as follows:

	As at 31 May 2021 £'000s	**As at 30 November 2020 £'000s**
Level 1	491,304	445,112
Level 2	-	-
Level 3	4	4
	491,308	**445,116**

Note 4

In accordance with section 32 FRS102 ' Events After the end of the Reporting Period', dividends declared after the end of the reporting period shall not be recognised as a liability.

Dividends payable on ordinary shares in respect of earnings for each period are as follows:

	Six months ended 31 May 2021 £'000s	**Six months ended 31 May 2020 £'000s**	**Year ended 30 November 2020 £'000s**
Final dividend 6.05p paid 1 April 2021 (2020: fourth interim 6.00p)	2,583	2,562	2,562
First interim dividend 4.67p paid 23 July 2020 (2019: 4.66p)	-	-	1,994
Second interim dividend 4.67p paid 16 September 2020 (2019: 4.66p)	-	-	1,994
Third interim dividend 4.67p paid 10 December 2020 (2019: 4.66p)	1,994	1,989	1,989
	4,577	4,551	8,539

Dividends declared after the period end are not recognised as a liability under section 32 FRS 102 'Events after the end of the reporting period'. Details of these dividends are set out below.

	Six months ended 31 May 2021 £'000s	**Six months ended 31 May 2020 £'000s**	**Year ended 30 November 2020 £'000s**
First interim dividend 4.70p payable 22 July 2021 (2020: 4.67p)	2,007	1,994	-
Second interim dividend 4.70p payable 16 September 2021 (2020: 4.67p)	2,007	1,994	-
Third interim dividend 4.67p	-	-	1,994
Final dividend 6.05p	-	-	2,583
	4,014	3,988	4,577

The final and interim dividends above are based on the number of shares in issue at the period end. However, the dividend payable will be based upon the number of shares in issue on the record date and will reflect any purchase or cancellation of shares by the company settled subsequent to the period end.

Note 5

The directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements, as the assets of the company consist mainly of securities which are readily realisable and accordingly, that the company has adequate financial resources to continue in operational existence for the foreseeable future.

Note 6

The half-yearly report has neither been audited nor reviewed by the company's auditors. The financial information for the year ended 30 November 2020 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or (3) of the Companies Act 2006.

The half-yearly financial report will be sent to shareholders in late July 2021 and will be available to members of the public from the company's registered office at 199 Bishopsgate, London EC2M 3TY.