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# STRATEGIC EQUITY CAPITAL PLC

## HALF-YEARLY REPORT & FINANCIAL STATEMENTS

for the six month period to 31 December 2020

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# Investment Objective

The investment objective of Strategic Equity Capital plc (“the Company”) is to achieve absolute returns (i.e. growth in the value of investments) rather than relative returns (i.e. attempting to outperform selected indices) over a medium-term period, principally through capital growth.

# Investment Policy

The Company invests primarily in equity and equity-linked securities quoted on markets operated by the London Stock Exchange where the Investment Manager believes the securities are undervalued and could benefit from strategic, operational or management initiatives. The Company also has the flexibility to invest up to 20% of the Company’s gross assets at the time of investment in securities quoted on other recognised exchanges.

The Company may invest up to 20% of its gross assets at the time of investment in unquoted securities, provided that, for the purpose of calculating this limit, any undrawn commitments which may still be called shall be deemed to be an unquoted security.

The maximum investment in any single investee company will be no more than 15% of the Company’s investments at the time of investment.

The Company will not invest more than 10%, in aggregate, of the value of its total assets at the time the investment is made in other listed closed-end investment funds.

Other than as set out above, there are no specific restrictions on concentration and diversification. The Board does expect the portfolio to be relatively concentrated, with the majority of the value of investments typically concentrated in the securities of 10 to 15 issuers across a range of industries. There is also no specific restriction on the market capitalisation of securities into which the Company will invest, although it is expected that the majority of the investments by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index.

The Company’s Articles of Association permit the Board to take on borrowings of up to 25% of the NAV at the time the borrowings are incurred for investment purposes.

# Investment Manager’s Strategy



Gresham House is a specialist alternative asset management group, dedicated to sustainable investments across a range of strategies, with expertise across forestry, housing, infrastructure, renewable energy and battery storage, public and private equity.

Their origins stretch back to 1857, while their focus is on the future and the long term. Quoted on the London Stock Exchange (GHE:LN) Gresham House actively manage c.£3.9bn of assets on behalf of institutions, family offices, charities and endowments, private individuals and their advisers. They act responsibly within a culture of empowerment that encourages individual flair and entrepreneurial thinking.

As a signatory to the UN-supported Principles for Responsible Investment (PRI), their vision is to always make a positive social or environmental impact, while delivering on their commitments to shareholders, employees and investors.

Within their Strategic Equity division their investment philosophy applies a private equity approach to investing in both public and private companies. Through rigorous due diligence, their team aims to achieve superior returns for long-term investors, and they share a fundamentals-based, high-conviction approach to finding and investing in opportunities in both public and private equity markets. The investment team is highly experienced in this strategy with a track record stretching back over 20 years.

A more detailed explanation can be found in the Investment Manager’s Report on page 4.

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\* Inside back cover

# Financial Summary

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	As at 31 December 2020	As at 30 June 2020	As at 31 December 2019	Six months % change to 31 December 2020
<b>Capital return</b>				
Net asset value ("NAV") per Ordinary share <sup>†</sup>	<b>281.80p</b>	239.74p	286.07p	17.5%
Ordinary share price	<b>232.00p</b>	195.75p	245.00p	18.5%
Discount <sup>1</sup> of Ordinary share price to NAV	<b>(17.7)%</b>	(18.3)%	(14.4)%	
Average discount <sup>1</sup> of Ordinary share price to NAV for the period	<b>(20.8)%</b>	(16.6)%	(14.7)%	
Total assets (£'000)	<b>178,954</b>	152,114	181,584	17.6%
Equity Shareholders' funds (£'000)	<b>178,371</b>	151,747	181,073	17.5%
Ordinary shares in issue with voting rights	<b>63,296,844</b>	63,296,844	63,296,844	—

	Six month period to 31 December 2020	Year ended 30 June 2020	Six month period to 31 December 2019
<b>Performance</b>			
NAV total return for the period <sup>2</sup>	<b>18.1%</b>	(9.1)%	8.5%
Share price total return for the period <sup>3</sup>	<b>19.3%</b>	(13.8)%	7.9%
Ongoing charges – annualised <sup>4</sup>	<b>1.11%</b>	1.11%	1.12%
Ongoing charges (including performance fee) – annualised <sup>4</sup>	<b>1.35%</b>	1.11%	1.17%
Revenue return per Ordinary share	<b>1.05p</b>	0.38p	1.25p
Dividend yield <sup>5</sup>	<b>n/a</b>	0.6%	n/a
Proposed dividend for period	<b>n/a</b>	1.25p	n/a

Interim period's Highs/Lows	High	Low
NAV per Ordinary share	281.94p	230.71p
Ordinary share price	233.00p	177.00p

<sup>†</sup> Net asset value or NAV, the value of total assets less current liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

## Alternative Performance Measures

<sup>1</sup> Discount. The amount by which the Ordinary share price is lower than the net asset value per Ordinary share. The discount is normally expressed as a percentage of the NAV per share.

<sup>2</sup> Total return. Total return is the increase/(decrease) in NAV per share plus dividends paid, which are assumed to be reinvested at the time the share price is quoted ex-dividend.

<sup>3</sup> Share price total return. Share price total return is the increase/(decrease) in share price plus dividends paid, which are assumed to be reinvested at the time the share price is quoted ex-dividend.

<sup>4</sup> Ongoing charges. Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the Association of Investment Companies industry standard method.

<sup>5</sup> Dividend yield. The proposed annual dividend expressed as a percentage of the share price.

# Chairman's Report

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## Introduction

While Covid, and the response of governments and businesses, continues to dominate the landscape, in the UK at least, there are signs that the worst is now over. In the early days of the pandemic the investment universe was clearly divided into the perceived 'winners' and 'losers' with share prices following suit. From November to the end of the 2020 the mood changed abruptly: the approval of multiple Covid vaccines drove a 28% rally in the FTSE Small Cap Index with a particularly sharp rebound in cyclical sectors and in those companies that had been most severely impacted by the pandemic.

As I write in early 2021, although considerable uncertainty remains and represents a challenging backdrop for investing, some interesting opportunities are beginning to develop. In this new environment we believe that our investment strategy can thrive.

Later, in this report your Investment Managers have set out very clearly their investment philosophy and the characteristic that they expect the SEC portfolio to exhibit both now and in the future. This is an important statement and one which shareholders can rely on when investing into our Company. The Board believes that by following this strategy, the Investment Managers will be able to generate good long term returns for shareholders in the Company.

## Performance

During the six months to 31 December 2020, the Company's NAV per share (on a total return basis) increased by 18.1%. The FTSE Small Cap ex Investment Trusts Total Return Index ("FTSE Small Cap Index") increased by 28.5%. Over the same period, the share price of the Company increased by 19.3% on a total return basis. NAV performance lagged the FTSE Small Cap Index, in line with most funds in the sector, during the exceptional rebound that stock markets experienced over Q4. This was largely driven by low exposure to cyclical sectors. Since the period end, the NAV per share (on a total return basis) has increased by 8.0% to 26 February 2021, against an increase in the FTSE Small Cap Index of 8.9%.

Over a slightly longer term, on both an absolute and relative basis, returns have been more encouraging. The three years ending 31 December 2020 showed an NAV total return of 4.7%, against the benchmark return of 3.1%.

There have been a number of positive developments at portfolio companies with trading updates generally meeting or exceeding the conservative guidance given by management teams in the early stages of the Covid pandemic. Despite the disruption, many portfolio companies have also made good strategic progress over the period which positions them well as we head into 2021. This performance is discussed more fully in the Investment Manager's Report.

## Development of the Company

Changes to the fund management team were announced on 29 September 2020 with Ken Wotton (Managing Director, Public Equity at GHAM) appointed as Lead Manager of SEC alongside incumbent Fund Manager, Adam Khanbhai. Ken's strong long-term investment track record managing other Gresham House funds and his experience of working in a private equity environment are well suited to SEC's investment strategy and are viewed positively by the Board. His long-term track record is exceptional with his open-ended fund being the only fund in the IA UK Smaller Companies Sector to have delivered positive, absolute returns in each year since its launch in 2009. It is ranked 4th over 10 years out of a universe of 52.

In addition to Ken's appointment the Gresham House Public Equity team has been reorganised to maximise the investment team's available resource to support SEC and to facilitate better access to the wider GHAM divisional platform and its private equity network.

Following the appointment of GHAM, a detailed review of SEC's holdings was undertaken which has led to some changes in the portfolio. No fundamental restatement of the strategy was proposed by the Investment Manager as a result of this review. However, in order to better leverage the resources and experience of Ken and the GHAM team, and to maximise engagement opportunities, future investments will be focused on companies that have a market capitalisation in the region of £100m to £300m at the point of investment. Portfolio construction is discussed in more detail in the Investment Managers Strategy Review on page 4.

Since the appointment of GHAM, Aberdeen Standard Investments ("ASI") has been providing certain marketing and distribution services to the Company. Gresham House has acquired shares in the Company since their appointment, and has committed to use reasonable endeavours to acquire a significant number of shares in the Company through the secondary market over the short-term.

The Board welcomes all these developments and looks forward to the additional resources and increased focus being brought to bear on delivering performance for SEC.

## Discount and Discount Management

The average discount to NAV of the Company's shares during the period was 20.8%, compared to the equivalent 14.7% figure from the prior year. The discount range was 15.3% to 26.1%. The share price discount to NAV ended the period at 17.7%.

The Board believes that improved performance is the key factor required to reduce the persistent discount to NAV of the Company's share price and when performance improves the discount will narrow. We believe that the changes that have been made in recent months should provide the catalyst to improve performance significantly over the medium term.

### **Gearing and Cash Management**

The Company has maintained its policy of operating without a banking loan facility. This policy is periodically reviewed by the Board in conjunction with the Investment Manager. The Board, together with the Investment Manager, has a conservative approach to gearing because of the concentrated nature of the portfolio. No gearing has been in place at any point during the period. Cash balances are generally maintained to take advantage of suitable investment opportunities as they arise.

### **Dividend**

The Directors continue to expect that returns for Shareholders will derive primarily from the capital appreciation of the shares rather than from dividends. In line with previous years, the Board does not intend to propose an interim dividend.

### **Requisition**

As announced on 8 February, the Board received a requisition from two individual shareholders calling for an extraordinary general meeting ("EGM") of the Company to be convened (the "Requisition"). The Requisition requires two resolutions pertaining to the continuation of the Company to be tabled at an EGM. The first, an ordinary resolution, to determine whether the Company should continue or not; and secondly, a special resolution requesting that in the event that the first resolution fails, the Board would offer shareholders the opportunity to receive cash for their shareholding or shares in another investment trust. The first resolution requires 50% of votes to pass and the second 75%.

The Board will publish a circular shortly in respect of the Requisition.

### **Outlook**

The UK stock market has been out of favour with international investors for some time, not least because of BREXIT. On most comparisons the domestic market now looks very cheap and within it smaller companies offer considerable value.

The various Covid vaccines do appear to be working in the UK but it is impossible to determine how the fuller international situation will be resolved. While markets have shown great resilience the long term damage caused to the UK and global economies will inevitably, we suspect, take much longer to be rectified. Furthermore the pandemic has led to a number of structural shifts which may endure long after Covid has gone with both positive and negative effects.

Nevertheless, the combination of a tried and tested investment process involving extensive due diligence and engaged ownership, with an experienced and well-resourced investment team, leaves the Company in a strong position to take advantage of these opportunities, selectively, over the coming months.

The Board, once again, thanks you for your continued support.

**Richard Hills**  
**Chairman**

1 March 2021



# Investment Manager's Report

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## Investment Strategy

In the following section, we have provided shareholders with a detailed explanation of our strategy and investment process.

### *Our Strategic Public Equity strategy*

The appointment of Gresham House as Manager in May 2020 and the subsequent appointment of Ken Wotton as Lead Fund Manager in September 2020, alongside Adam Khanbhai has not led to a fundamental change of strategy for SEC.

However, while the stated investment strategy, area of focus and core approach are unchanged they are now being more strictly applied. Further, with the additional and experienced resource of the Gresham House platform and its extensive network, the strategy can also be pursued more effectively.

Our investment focus is to invest into high quality, publicly quoted companies which we believe can materially increase their value over the medium to long term through strategic, operational or management change. To select suitable investments and to assist in this process we apply our proprietary Strategic Public Equity ("SPE") investment strategy. This includes a much higher level of engagement with management than most investment managers adopt and is closer in this respect to a true private equity approach to investing in public markets companies. Our path to achieving this involves constructing a high conviction, concentrated portfolio; focusing on quality business fundamentals; undertaking deep due diligence including engaging our proprietary network of experts; and maintaining active stewardship of our investments. Through constructive, active engagement with the management teams and boards of directors, we seek to ensure alignment with shareholder objectives and to provide support and access to other resource and expertise to augment a company's value creation strategy.

We are long-term investors and typically aim to hold companies for three-to-five years to back a thesis that includes an entry and exit strategy and a clearly identified route to value creation. Before investing we undertake an extensive due diligence process, assessing market conditions, management and stakeholders. Our investments are underpinned by valuations, which we derive using private equity-based techniques. These include a focus on cash flows and the potential value of the company to a trade or financial buyer. The outputs of this approach deliver investments with one or more of the following characteristics: mispriced cash flow; undervaluation; and strategic opportunity for positive change.

## *Investment focus*

We seek to invest in high quality companies in attractive end markets with the potential to deliver superior long term capital growth for shareholders. We have clear parameters for what we will invest in and areas which we will deliberately avoid. We do not invest into turn-around situations or inherently weak companies.

We proactively seek out the following characteristics:

- Portfolio companies should be operating in a sector or niche market that offers opportunities for structural growth or a stable, competitive environment providing the scope to take market share
- Quality is indicated by management capability and track record; sustainable competitive advantages such as strong, defensible intellectual property, a sustainable and attractive market position, premium growth rates relative to competitors.
- Companies should have the potential to deliver strategic value, by exhibiting characteristics valued highly by potential trade buyers in their sector.
- Financially, companies should be able to demonstrate a fundamentally profitable business model, strong cash generation, attractive returns on capital and superior operating margins.
- High-quality management is desirable, although we may seek to strengthen this as part of our constructive active engagement process.
- The investment case should not be compromised on ESG grounds. We will actively seek to diligence key ESG risks and opportunities pre investment and monitor and engage to drive improvements and mitigate risks over the life of our investments.
- The shareholder register should be aligned with SEC's objectives and we will aim to engage with other investors to seek consensus on strategy and key value drivers.

We actively avoid companies with the following characteristics which we believe increase the downside risk and potential volatility of returns:

- SEC will not invest in extractive sectors (oil and gas, mining), nor 'balance sheet' financials (banks, insurers), as the manager believes that success in these businesses is often driven by macro factors like commodity prices rather than operational aspects under the control of management.

- We do not back early-stage companies with unproven business models or speculative growth projections or those reliant on binary outcomes (such as biotech/tech companies reliant on the regulatory approval of new products, for example).
- We seek to avoid businesses in financial distress or deep turnaround situations where the spread of risk and reward may be too wide and where the return on fund management resource is highly uncertain.
- We typically avoid companies operating in commoditised industries or those with intrinsically low operating margins or cash conversion.
- We typically avoid companies with controlling shareholders, and those with poor governance and/or weak financial systems and oversight unless we see a clear catalyst for these characteristics to change and unlock value. However, encouraging improvement in aspects of ESG may form part of the investment thesis and is a core focus of our due diligence and ongoing monitoring activity.

### Smaller company focus

We believe that UK Smaller Companies represent a structurally attractive part of the public markets. Academic research demonstrates that smaller companies in the UK have delivered substantial outperformance over the long term (see Figure 1 below). This is partially because there is a large number of

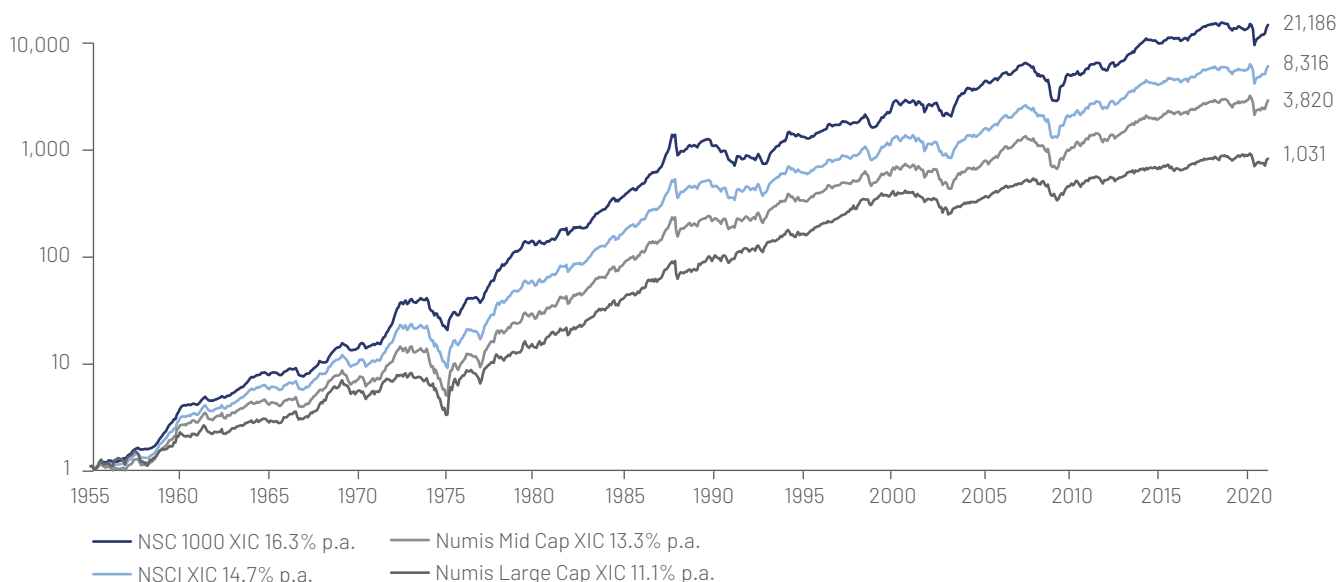
under-researched and under-owned businesses that typically trade at a valuation discount to larger companies (see Figure 2 on page 6) and relative to their prospects. A highly selective investor with the resources and experience to navigate successfully this part of the market can find exceptional long-term investment opportunities.

The key attractions of smaller companies are:

- **Inefficient markets** – Smaller companies remain under-researched and below the radar for most investors thus creating an opportunity for those willing to devote time and resource to this area.
- **A large universe** – Most UK listed companies are in the smaller companies category and are listed on the main market or AIM. Two-thirds of UK listed companies have a market capitalisation below £500m, offering a large opportunity set for smaller company specialists.
- **Valuation discounts** – Such discounts, arising for whatever reason, present attractive entry points at which the intrinsic worth of a company’s long-term prospects are undervalued.
- **M&A activity** – Smaller companies often offer strategic opportunities within their niche markets and can become attractive, bolt-on acquisitions to both trade and private equity buyers. These buyers provide an additional source of liquidity and realisation of value for smaller company investors.

## Figure 1: Long-term performance

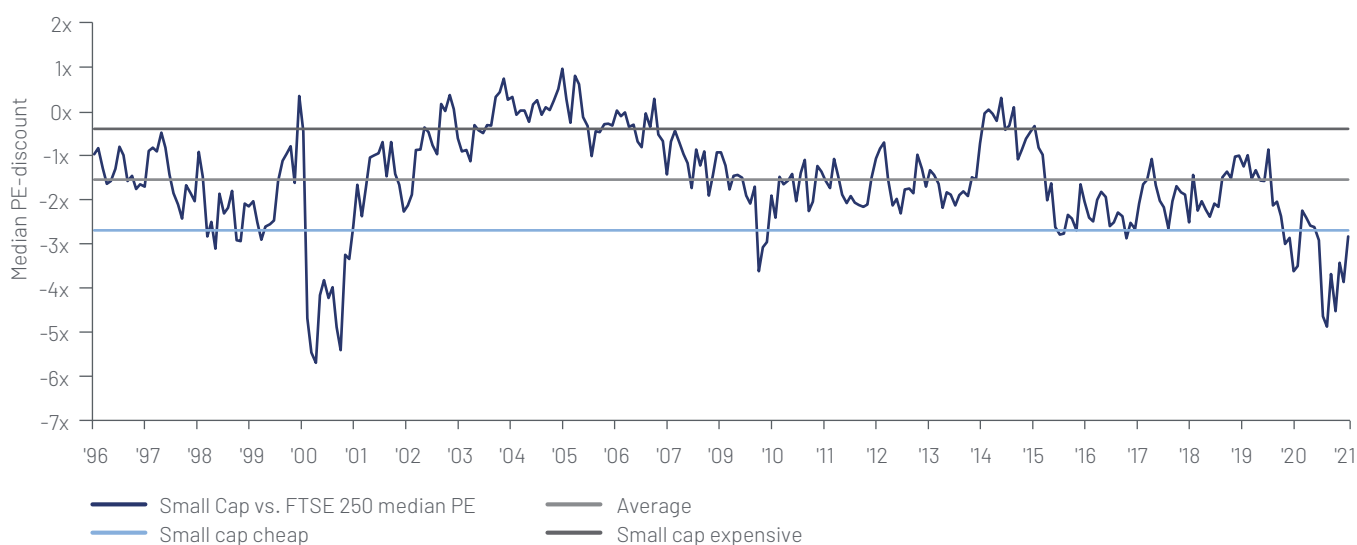
Cumulative return 1955-2020



# Investment Manager's Report *(continued)*

**Figure 2: 'Small-cap discount'**

Median SC P/E – FTSE 250



## Portfolio construction

We will maintain a concentrated portfolio of 15-25 high conviction holdings with prospects for attractive absolute returns over our investment holding period. The majority of portfolio value is likely to be concentrated in the top 10-15 holdings with other positions representing potential "springboard" investments where we are still undertaking due diligence or awaiting a catalyst to increase our stake to an influential, strategic level. At acquisition no holding can represent more than 10% of the portfolio but a successful investment could grow over time to reach 15% of net assets before ongoing trimming or a sale of the holding would occur.

Bottom-up stock picking determines SEC's sector weightings which are not explicitly managed relative to a target benchmark weighting. The absence of certain sectors such as Oil & Gas, Mining, Banks and Insurers, as well as limited exposure to overtly cyclical parts of the market, typically result in a portfolio heavily weighted towards Software, Healthcare and Business Services. The underlying value drivers are typically company specific and exhibit limited correlation even within the same broad sectors. Figure 3 sets out the sector exposure of the Fund as at 31 December 2020.

Our smaller company focus and specialist expertise leads us to prioritise companies with a market capitalisation between £100m and £300m at the point of investment. The Investment Managers will not make an initial investment into any company with a market capitalisation of less than £100m. This focus, in combination with

the size of the Trust and its concentrated portfolio approach, provides the potential to build a strategic and influential stake in the highest conviction holdings. In turn this provides a platform to maximise the chance that our constructive active engagement approach will be effective and ultimately successfully contribute to shareholder value creation.

This point is best demonstrated with numbers. The Manager believes that in order to provide a strong platform for engagement an equity stake of at least 5% and in many cases 10% is desirable, either in isolation or conjunction with other GHAM managed funds. Thus, at the point of initial investment an illustrative portfolio of £200m made up of 20 holdings might include:

- 10 positions representing 75% of the portfolio's value (£150m) and averaging a 7.5% direct equity stake in the underlying investment. At an average position size of £15m, the implied average market capitalisation of these holdings would be £200m.
- 10 positions representing 25% of portfolio value (£50m) and averaging a 2.5% direct equity stake. At an average position size of £5m, the implied average market capitalisation would be £400m.

Overall, at inception, the weighted average market capitalisation of this illustrative portfolio would therefore be £250m. Given a three-to-five year investment cycle it is reasonable to expect SEC to hold 50% or more of its portfolio in companies with a market

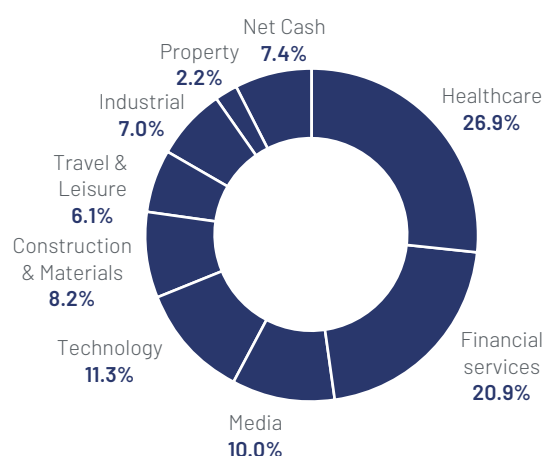


capitalisation of £300m or below, at any given time. This is approximately where we are today (see Figure 4 Value by market cap band). At a larger aggregate fund size it would be reasonable to expect the average market capitalisation to increase in line with SEC's capacity to take influential stakes in larger businesses or retain those stakes as they grow.

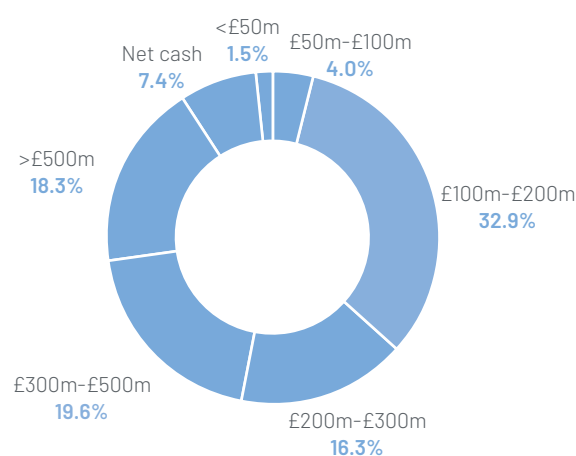
Figure 4 sets out the market capitalisation range of the Trust as at 31 December 2020. While most new investments for SEC will be in companies with a market capitalisation below £300m at the point of investment we expect the portfolio at any given moment to represent a blend of investments at varying stages of maturity within our long-term investment thesis.

Once purchased there is no upper limit restriction on the market capitalisation of an individual investment. We will run active positions regardless of market capitalisation provided they continue to deliver the expected contribution to overall portfolio returns and subject to exposure limits and portfolio construction considerations.

**Figure 3: Sector exposure by value**

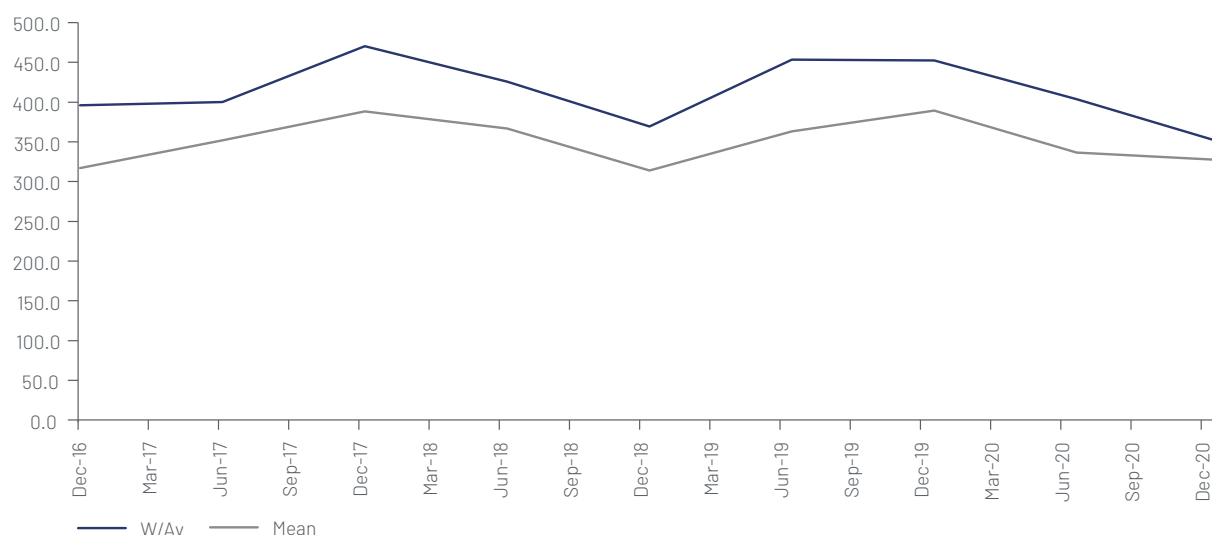


**Figure 4: Value by market cap band**



Based on current market levels and the size of SEC we would expect the average market capitalisation of portfolio companies to be in the range of £250-500m. In Bull markets the average is likely to be higher than in Bear markets. Over the four years since December 2016 the average portfolio market capitalisation has been maintained within this range (see Figure 5).

**Figure 5: Average Portfolio Market Capitalisation £m**



# Investment Manager's Report *(continued)*

Since September 2020 we have modestly reduced the average market capitalisation. We have exited some larger capitalisation holdings such as Ergomed, 4Imprint and Numis where the investment thesis had largely played out (the unweighted average market cap was £422.5m at point of final realisation) and replaced them with new holdings with a lower average market capitalisation (unweighted average market cap of £114.3m at point of first investment).

Figure 6 below summarises the key changes made during the quarter ended 31 December 2020.

**Figure 6**

	Company	<£300m Mcap?	Total Gresham House Stake	Engagement Potential?	Owned by other GH Funds?	
New Investments	Inspired Energy	✓	10%+	✓	✓	} Three recent new investments into companies that are consistent with revised strategy; all well known to Gresham House.
	Ten Entertainment <sup>1</sup>	✓	c.10%	✓	✓	
	SimplyBiz	✓	6%+	✓	✓	
Existing Holdings	Tribal	✓	10%+	✓	✓	} Top up investments in existing holdings that meet investment criteria; proactive engagement opportunities WIP.
	Medica	✓	10%+	✓	✓	
	XPS Pensions	✓	10%+	✓	✓	
Pipeline Opportunities (Sample)	Real Estate Services	✓	Small	✓	✓	} Attractive pipeline of opportunities identified in target market capitalisation range. Continue to be highly selective and require deep due diligence prior to investment.
	Engineering/Consultancy	✓	Small	✓	✓	
	Legal Services	✓	N/A	Tbc	✗	
	Infrastructure Services	✓	N/A	✓	✗	
Exited Holdings	Ergomed	✗	N/A	In past - Yes Today - No	Previously owned	} Three exited holdings in period. All above £300m market capitalisation, with limited opportunity for engagement.
	4imprint	✗	N/A	In past - Yes Today - No	Previously owned	
	Numis	✗	N/A	✗	Previously owned	

<sup>1</sup> Gresham House Ownership of company as at 21 January 2020

We set out a summary of the Top 10 holdings as at 31 December 2020 in Figure 7 in the Investment Manager's Report in the Company's Half Year report together with a high level summary of the investment case for each position.

**Figure 7**

Company	% of NAV	Investment thesis
 Software	9.8%	<ul style="list-style-type: none"> <li>International provider of student administration software with market leading positions in the UK, Australia and NZ</li> <li>Strong defensive characteristics with high visibility of earnings and entrenched position with customers</li> <li>Transition to cloud-based platform will improve recurring revenues and margins</li> </ul>
 Healthcare	9.0%	<ul style="list-style-type: none"> <li>Leading positions in unlicensed medicines and territories without access to healthcare treatments; an acyclical structurally growing market</li> <li>High barriers to entry built through M&amp;A and organic investment</li> <li>Attractive growth and cash flow potential</li> <li>Significant potential medium-term upside with Proleukin</li> </ul>
 Industrials	8.2%	<ul style="list-style-type: none"> <li>Market leader in residential and commercial window and door manufacturing</li> <li>Building activity in end markets remains far below long-term levels</li> <li>Multiple self-help opportunities under new management to improve ROCE; de-gearing should drive a re-rating</li> </ul>
 Healthcare	8.1%	<ul style="list-style-type: none"> <li>A niche market leader in the UK teleradiology sector which is acyclical and is growing rapidly driven by increasing healthcare requirements and a structural shortage of radiologists</li> <li>Above market organic growth and underappreciated cash generation characteristics</li> <li>A better-defined strategy and expansion of offering under the new CEO and CFO</li> </ul>
 Business services	7.7%	<ul style="list-style-type: none"> <li>Leading 'challenger' brand in the pensions administration and advice market with organic market share opportunity following industry consolidation</li> <li>Highly defensive – high degree of revenue visibility and largely non-discretionary, regulation driven client activity</li> <li>Below market rating despite favourable cash flow characteristics</li> </ul>
 Business services	5.8%	<ul style="list-style-type: none"> <li>Market leader in defensive share services and regulated technology markets</li> <li>Potential to grow through cross-sell, penetrating the North American market and through self-help</li> <li>De-gearing and cash flow demonstration required to drive a re-rating</li> <li>Precedent M&amp;A in this sector given financial characteristics</li> </ul>
 Media	5.5%	<ul style="list-style-type: none"> <li>International provider of B2B data and training in the compliance, insurance, financial and healthcare sectors</li> <li>New Chair, CEO and CFO incentivised to re-focus the business and deliver a return to organic growth</li> <li>Greater focus on the portfolio and clarity of strategy will aid growth in profit and cash flow and drive a re-rating</li> </ul>
 Healthcare	5.4%	<ul style="list-style-type: none"> <li>Global leading provider of specialist products to the shrimp and salmon farming industry including aquaculture genetics (eggs and brood stock), high performance nutritional solutions and sea lice treatments</li> <li>Leading IP and significant barriers to entry. High value-add segments of structural growth aquaculture industry</li> <li>Strategic and operational self help re unprofitable vaccine activities. Recent Board and management change</li> </ul>
 Business Services	5.2%	<ul style="list-style-type: none"> <li>UK B2B corporate energy services and procurement specialist. Strong ESG credentials</li> <li>Leading playing in fragmented industry; significant opportunity to gain market share through client wins, proposition extension and M&amp;A</li> <li>Gresham House funds have been invested in the company since IPO in 2011; SEC invested at placing to strengthen balance sheet and provide capital for acquisitions to consolidate market further</li> </ul>
 Media	4.5%	<ul style="list-style-type: none"> <li>International organiser of trade exhibitions and conferences. Fundamentals of industry attractive; structural growth, high margins and cash generation. Significant corporate and private equity activity historically</li> <li>Significantly impacted by Covid restrictions. SEC invested in discounted rights issue in 2020; balance sheet now strong enough to last until Q4 2021 at least. Long term recovery prospect with significant upside</li> </ul>

# Investment Manager's Report *(continued)*

## **Constructive Active Engagement Approach**

As far as possible, SEC aims to build consensus with other stakeholders. We want to unlock value for shareholders, but also create stronger businesses over the long term. The objective is to develop a dialogue with management so that the GHAM team and its network are seen as trusted advisors.

Operating with a highly-focused portfolio, SEC's management team can build and maintain a deep understanding of its portfolio companies and their potential. The team engages with company management teams and boards in a number of areas including:

- **Strategy** – Working with boards to ensure business strategy and operations are effectively aligned with long term value creation and focused on building strategic value within a company's market.
- **Corporate activity** – Support for acquisition and divestment activity through advice, network introductions and provision of cornerstone capital.
- **Capital allocation** – Seeking to work with boards to optimise capital allocation by prioritising the highest return and value-added projects and areas of focus for investment of both capital and resource.
- **Board composition** – Ensuring that boards are appropriately balanced between executive and non-executive directors and contain the right balance of skills and experience; we actively use our talent network to introduce high quality candidates to enhance the quality of investee company boards as appropriate.
- **Management incentivisation** – Ensuring that key management are appropriately retained and incentivised to deliver long term shareholder value with schemes that fit with GHAM's principles and are well aligned to our objectives as shareholders.
- **ESG** – Leveraging the Gresham House sustainable investing framework and central resource to help to identify, understand and monitor key ESG risks and opportunities as well as seeking to drive enhancements to a company's approach where there are critical material issues with a particular focus on corporate governance.
- **Investor Relations** – Helping management teams to hone their equity story, select appropriate advisors and target their investor relations activities in the most effective way to ensure that value creation activity is understood and reflected by the market.

Engagement is undertaken privately, as far as possible. The team will also work to leverage its extensive network to the benefit of portfolio companies. We seek to make introductions to our network in as collaborative way as appropriate where we believe there is an opportunity to support initiatives to create shareholder value. As an example, we recently introduced a high-quality non-executive director to the board of Wilmington to provide insight and expertise in the area of digital remote learning, a key component of the company's future growth strategy.

For the companies, a further benefit is that SEC has historically supported investee companies with capital to strengthen their financial position or to undertake M&A where this is aligned with strategy and long term value creation. Recent examples during 2020 have been: Inspired Energy where SEC, along with other investors provided acquisition capital to support the purchase of the remaining minority interest in Ignite Energy; and Hostelworld where the Fund participated in a placing of new equity to strengthen its balance sheet to provide additional liquidity to weather the short term impact of Covid disruption to the travel sector.

In summary, we follow a practice of constructive corporate engagement and aim to work with management teams in order to enhance shareholder value. We attempt to build a consensus with other stakeholders and prefer to work collaboratively alongside like-minded co-investors.

## **Portfolio review for the six months to 31 December 2020**

During the fourth calendar quarter of 2020 we made good progress with the transition of the portfolio: purchasing two new holdings, fully exiting three positions, and adding to a number of core positions. The number of influential equity stakes where GHAM funds, in aggregate, hold a 10% or more equity stake (more detail is provided on page 8) now stands at five, and represents 35.5% of the portfolio). A number of enhanced engagement initiatives are now underway with portfolio companies across a number of areas such as board composition, long term management incentive plans and digital transformation activities.

## Market Background

Over the six month period to the end of December, the FTSE Smaller Companies ex-Investment Trust Index ("the index") rose 28.5% on a total return basis. The first four months of the period saw a muted headline market as investors and companies alike digested the medium-term implications of Covid on business models, valuations and company prospects. Despite this uncertain backdrop, animal spirits returned with a vengeance in November as vaccine approvals drove optimism that Covid restrictions could soon be lifted.

The FTSE Small Cap Index rose an astonishing 30.7% over Q4, outperforming the FTSE All Share (+12.6%) and FTSE AIM (+20.9%). The market was driven by cyclicals with resources (mining, oil and gas), financials (banks, insurers), telecoms and 'hard' industrials (mining equipment and autos) all leading the FTSE All Share, all sectors where the Company has limited or no exposure.

The elevated market volatility during the period also created opportunities to buy into attractive long-term growth stories at compelling valuations through a combination market purchases after widespread selling pressure and equity issuance as companies sought to strengthen balance sheets to mitigate downside risks and also to take advantage of opportunities.

## Performance Review

After the tumultuous start to 2020, the net asset value ("NAV") recovered strongly, increasing 18.1% on a total return basis over the six months to the end of December. This represented a 52% increase from the low point reached March. The recovery was somewhat tentative initially, driven by a stabilisation in trading prospects following the sharp readjustments to operating models and financial guidance caused by the first Covid lockdowns. Subsequently, in the latter part of the year, increasing market optimism coupled with a generally improving outlook supported a substantial, broad-based increase in share prices.

Whilst a strong absolute NAV performance was delivered over the period, performance lagged the index. This can partly be attributed to the net cash balance, which averaged 10% over the period and was a drag on relative performance. The larger factor, however, was the lack of exposure, due to the nature of the investment strategy, to the cyclical sectors which led the performance of the market as noted previously. In addition, some portfolio holdings experienced a limited increase in share prices despite demonstrating improving prospects and we believe this suggests good potential for recovery in future periods.

## Top 5 Contributors to Performance

Company	Share Price Total Return for the six months to 31 December 2020 %	Valuation at period end £'000	Period attribution (basis points)
Tyman	84.7	14,615	545
Tribal	60.5	17,536	429
Ergomed*	95.1	-	329
Benchmark	67.1	9,558	259
Wilmington	29.2	9,880	151

\*Fully realised during the period

**Tyman** shares increased by 85% as an improving trading outlook in their key US market drove upgrades and helped to reduce their leverage. **Tribal** rerated late in the period as a number of material new contracts were signed. **Ergomed** continued its run of exceptional performance with significant upgrades and further M&A in the period. Successful divestments of non-core business units at **Benchmark** supported a re-rating; and **Wilmington** shares recovered as the business proved resilient despite Covid restrictions disrupting face to face training.

## Bottom 5 Contributors to Performance

Company	Share Price Total Return for the six months to 31 December 2020 %	Valuation at period end £'000	Period attribution (basis points)
Equiniti	(24.1)	10,291	(236)
Clinigen	(16.0)	16,014	(235)
Medica	(6.2)	14,505	(43)
4imprint *	(22.7)	-	(43)
Numis*	(8.5)	-	(18)

\*Fully realised during the period

Following a volatile start to the year portfolio updates were generally positive over the period. **Equiniti's** shares remained weak as the company continued to face headwinds due to interest rate cuts and reduction in capital markets activity although it was encouraging that the company guided to cost savings ahead of expectations to offset this. A change in CEO was announced post period end. **Clinigen** shares also fell over the period. Despite the majority of the business performed in line with guidance, single digit downgrades resulted from the expected launch of generic Foscovir in the EU. **Medica** shares were modestly weaker as Covid continued to disrupt scanning activity in the NHS.



# Investment Manager's Report *(continued)*

## Portfolio Review

The portfolio remained highly focused with a total of 20 holdings and the top 10 accounted for 69% of the NAV at the end of the period. 8% of the NAV was held in cash at the period end.

Over the period positions in 4imprint, Ergomed and Numis were exited. The investments delivered IRRs of 22%, 72% and 2% respectively over their respective holding periods. Profits were fully realised in Ergomed as the shares more than doubled over the period driven by strong trading and M&A. 4imprint has been a very strong performer in the fund for over a decade; the position was exited as the shares were viewed as highly rated relative to other opportunities in the market. We are also wary of the cyclical nature of the US promotional products market. Numis, a small non-core holding, was exited also in order for capital to be redeployed elsewhere in the portfolio. New investments were initiated in Inspired Energy, a leading UK corporate energy services and procurement specialist; Ten Entertainment, the UK's number two ten pin bowling operator; and SimplyBiz, a leading provider of technology enabled regulatory solutions and services to Independent Financial Advisors.

Changes in sector weightings have seen exposure to Healthcare decrease from 34.7% to 26.9% following the exit from Ergomed. Financial Services has also decreased from 23.8% to 20.9% due to the exit from Numis and weakness in Equiniti. Technology has increased from 7.8% to 11.3% due to the strong performance of Tribal. The Industrial Goods & Services sector, and Travel & Leisure, has increased mainly due to new investments in the period. Exposure to other sectors, including Media, Construction & Materials, and Property, has remained broadly constant.

## Top 10 Investee Company Review *(as at 31 December 2020)*

### Tribal

#### *Description*

Is a global provider of products and services to the international education, training and learning markets. Today, the company focuses its activities on student records and administration systems and quality review inspection services.

#### *Thesis*

Tribal is a strategically valuable and high-quality asset, albeit one in a relatively mature market. The company is executing well on a strategy to reduce its overheads and develop its next generation cloud-based software platform, Tribal Edge, which will enable the business to capitalise on its leading positions in the UK,

Australasian and Asian markets. The benefits from these initiatives are yet to be fully reflected in its financial metrics, and will further increase its potential value to a strategic acquirer. Given the recurring nature of its revenues, its high-quality long-term customer base and market leading position we believe the company should generate higher margins and warrant a substantially higher rating than it does today.

#### *Developments in the period*

The business has demonstrated the resilience of its business model throughout 2020 with limited disruption to trading or operations from Covid. The main strategic focus of the business remains the development of Tribal Edge; the last six months have seen material progress with the release of the first module to customers in Australia. On the back of its development plans, the company has started to see significant commercial traction in the market with four major contract wins in the period including one with Nanyang Technological University in Singapore, worth up to £17m over 8 years. We are encouraged by the progress made to date and look forward to further developments as the company continues to execute on its strategy.

### Clinigen

#### *Description*

Is a speciality pharmaceutical and services company, its primary activities include: acquiring, licencing and revitalising hospital only critical care medicines; and providing patient access to its own or other pharmaceutical companies' products, whether to meet unmet medical needs or for use in clinical trials. The company grew rapidly post listing in 2012, both organically and through targeted acquisitions. Over the course of our investment, the company has undertaken investment to deliver an international platform of services across the patient and drug lifecycle and delivered strong shareholder returns.

#### *Thesis*

The company operates in an area of structural growth and is not exposed to the economic cycle as demonstrated by recent (and historical) trading. It is estimated that 80% of the world's population continues to have limited or no access to the right medicines, at a time when physician and patient knowledge and requirement for appropriate medicines is enhancing. Clinigen established an ethical and commercial market for unlicensed medicines around 10 years ago and is a market leader in this space.

#### *Developments in the period*

Final results in September were in line with expectations, with the company delivering strong organic growth despite some weakness

in demand for hospital medicines due to the disruption Covid caused to the global healthcare system. Despite the good underlying operational progress, as a result of recent M&A (including key asset Proleukin), the company remains relatively highly geared at 2.8x net debt to EBITDA, which has weighed on the share price. Although we are mindful of this, the cash generating capacity of the business coupled with the strong organic growth profile, should see material degearing of the balance sheet through 2021. The shares appear standout value at <9x FY22 PE for a high growth healthcare asset with multiple routes to value creation.

## Tyman

### Description

Is a leading international supplier of engineered components to the door and window industry in the new build and repair and maintenance (RMI) markets. Around two-thirds of its profits are from North America.

### Thesis

The company has, through organic and inorganic investment, increased its market leadership, strengthened the product proposition and delivered strong historic returns on investment. The company has the potential to replicate its North American manufacturing template to its operations in Europe and the Rest of the World to achieve material efficiencies, and is well placed to benefit from a recovery of U.S. single family housing activity to long term historical levels.

### Developments in the period

The company has improved service delivery and navigated the challenges posed by Covid well, managing to maintain strong levels of customer service and drive operational improvements through the group. Improving market conditions and encouraging order intake, particularly in its key US market, late in the period led to double digit upgrades and a re-rating of the stock as investors gained increasing confidence in the company's outlook, and balance sheet position. A new high-profile chairman, Nicky Hartery, was also appointed in the period.

## Medica

### Description

Is the leading provider of teleradiology services in the UK, providing outsourced interpretation and reporting of MRI, CT and plain film X-ray images, primarily to the NHS hospital radiology departments. This includes both out-of-hours (aka 'Nighthawk') and routine reporting. Formerly owned by Close Brothers Private Equity, following a 2013 buyout the company listed on the London Stock Exchange in 2017.

### Thesis

The demand for radiology services in the UK is growing rapidly driven by the increasing sophistication and clinical application of medical imaging, compounded by an ageing population with increasing incidence of chronic conditions and cancer that require ongoing monitoring. The NHS struggles to meet this demand internally due to a severe (and long term) shortage of qualified radiologists. Medica's technology platform and roster of over 400 consultant radiologists addresses this issue safely and economically, enabling the company to deliver consistently high (double digit) levels of growth. The company has historically delivered strong financial progress, growing revenues over 60% between 2016 and 2019, although this has been disrupted in the short term due to the impact of Covid on the healthcare system. We believe the medium term outlook is positive and that the combination of a high growth, high margin, low capital operating model is highly valuable and underappreciated by the market.

### Developments in the period

Covid has led to disruption to scanning activity levels in NHS hospitals which has had a material impact on Medica's business, with revenue down 21% year on year. Despite this, the company has remained profitable, cash generative and well capitalised. This has enabled them to take the opportunity to strengthen relationships with its NHS customers and to continue to invest in technology to increase the efficiency and flexibility of their reporting platform. As part of this investment, and in partnership with Qure.ai, the company has recently started to incorporate AI support tools into its offering; initially to enhance radiologist reporting of urgent stroke cases. Late in the period the company acquired an Irish peer, Global Diagnostics Ireland, for €16m, leading to double digit upgrades and extending the company's footprint outside the UK. In our view these developments increase the long term strategic value of the company and put it in a strong position to capitalise when healthcare activity returns to more normalised levels.

## XPS Pensions

### Description

Is the only listed defined benefit pensions specialist in the UK. The company offers pensions actuarial, administration, compliance and advisory services. Formerly owned by Close Brothers Private Equity, the company listed on the London Stock Exchange in 2017.

### Thesis

Following a large merger with Punter Southall, the company warned on profits mid-way through 2019 and suffered a material de-rating. We initiated our position at this point as we believe the quality and longevity of the cash flows to be very attractive and mispriced at its prevailing valuation. The company has a largely

# Investment Manager's Report *(continued)*

predictable core business with the opportunity to enhance returns through continued market share gains, supportive regulatory tailwinds and accretive bolt-on acquisitions. Consolidation in the market (merger between Aon and Willis Towers Watson, and Mercer and JLT) provides further opportunity for XPS to take market share over the medium term.

## ***Developments in the period***

The company demonstrated the resilience of its business model over the course of 2020. Many of the services that XPS offers to its clients are non-discretionary in nature and driven by the ever increasing regulatory burden in the pensions industry, and this proved to be the case with revenues growing 6% organically in the six months to September. Strong demand for investment advice, as is expected during periods of market volatility, offset marginal weakness in less discretionary project work. With the integration of Punter Southall now complete, and with the upcoming merger of Aon and Willis Towers Watson, XPS is well poised to continue to gain share. Trading at sub 10x EBITDA and over 5% dividend yield, we believe the quality, growth and cash generating potential of the business is underappreciated by the market.

## **Equiniti**

### ***Description***

Is a business services company providing administration, processing payments services and technology products typically to large publicly listed companies in the UK and US. It is one of the three main share registrars for UK quoted companies. It administers company benefits schemes and share savings schemes. It also provides software and services to help manage the administration of company and public sector pension funds. Following a buyout by Advent the company added to its product and service capability through a number of targeted acquisitions including that of Wells Fargo Share Services in the US in 2017.

### ***Thesis***

The business has a strong combination of stable, long-term, nondiscretionary corporate services alongside offering proprietary technology-based solutions to growing regulatory requirements. This enables the business to generate strong underlying margins and cash flows. The company has entrenched leading market positions in the UK and now the US with the potential to create strategic value. Following a period of investment and headwinds to the business, the company has potential to re-rate or, if value is not recognised on the public market, to become a takeover target.

### ***Developments in the period***

The company continues to experience weak trading conditions due to the cut in base rates, a collapse of capital market activity

(dividend payments, IPOs, M&A), and lockdown disruption to remediation work. Understandably, this continues to weigh on the share price of the company, although we note these challenges have been navigated without the need for external support or extension of bank covenants. The company's business model and market position are fundamentally sound with strong customer retention and new business wins over the year. With the Wells Fargo integration now complete, a return to a more normalised market environment should see a rebound in earnings and cash generation which has the potential to catalyse a significant re-rating of the shares. Post period end the company announced the appointment of Paul Lynam as CEO, as well as confirming that it is in discussions regarding the disposal of its consumer facing share trading platform EQi (formerly SelfTrade).

## **Wilmington**

### ***Description***

Is a B2B media business that provides business information, training and events products. The company consists of a portfolio of brands that focus on niche sectors including risk (i.e. insurance), compliance, banking, accounting, legal services, healthcare providers and pharmaceuticals.

### ***Thesis***

Wilmington generates high teens EBITA margins, high teens+ ROCE and good cash conversion. More than 80% of revenues in the main publishing and information divisions are delivered digitally, typically on a subscription basis, and with high levels of client retention. Growth has been held back in recent years and we believe the presence of a new chairman, CEO and CFO will improve the company's execution and management of the portfolio to drive shareholder value. Given its strong position in attractive markets it is capable of mid-single digit organic growth; delivery of this against very modest current market expectations could support a substantial re-rating of the stock. In the absence of a re-rating, we believe the company has the potential to become a takeover target.

### ***Developments in the period***

Early in the period the company grappled with the disruption that Covid wrought on its ability to run face to face training and events; these areas together represented c.40% of the company's revenue. Pleasingly Wilmington has been successful in mitigating much of this impact through a combination of cost savings and migration of training and events on to online delivery formats. More recent updates show the business outperforming expectations; the business delivered an increase in profit over the three months to September despite a modest decrease in revenues. Although they are now not expected to be required, the successful renegotiation of banking covenants gives the business the financial flexibility to trade through a prolonged period of

disruption. We continue to monitor the situation closely, however are optimistic that a leaner, more digitally focused and more valuable company can emerge from the crisis in the period to come. We were pleased to note the appointment of William Macpherson as a non-executive director early in the new year; as former CEO of QA and Kaplan International we believe he brings highly valuable experience and expertise to the board.

## Benchmark

### *Description*

Is a global leading provider of specialist products to the aquaculture industry, with a focus on the shrimp and salmon species. The company operates three core divisions; Genetics, where it produces superior lines of eggs and broodstock, predominantly for the salmon market where it is an industry leader; Nutrition, where it provides advanced feeds, including those based on artemia, predominantly for the shrimp farming market; and Animal Health, which provides healthcare products for the aquaculture industry with particular strength in sea lice treatments. The company has strong ESG credentials and a significant role to play in increasing the sustainability of the aquaculture industry.

### *Thesis*

The aquaculture market has strong growth prospects over the long term as population growth, and a growing middle class in emerging economies drives increasing demand for protein. Benchmark is an incredibly IP-rich business with leading niche positions within this industry. Despite generating strong margins and growth in its core activities, Benchmark shares traded at a depressed rating with excessive debt built up through M&A and high spending on an early stage pipeline that showed little return. This had also led to the company owning a number of 'non-core' businesses which depressed margins and lowered return on capital. Our investment in 2019 was founded on the appointment of Peter George (the founder of Clinigen) as chairman, with a clear mandate to focus the company on profitable activities, improve capital allocation and shape the business to capitalise on the long term market opportunity. The potential approval of a novel sea lice treatment (aka Ectosan / BMK008) represented further upside to our base case.

### *Developments in the period*

The company experienced limited disruption from Covid, and delivered robust full year results with genetics in particular continuing to perform very well. The nutrition division was weaker as the shrimp production globally remained subdued. Significant strategic progress was achieved with the new management team successfully divesting or closing all non-core activities, including the sale of a vaccine manufacturing plant to the UK Covid Vaccine Taskforce; this materially improved the balance sheet position of

the group and will transform the financial outlook for the company. BMK008 received a positive opinion from the European Medicines Agency in the period and we expect further news on this potentially transformational product in the coming months.

## Inspired Energy

### *Description*

Is a leading UK B2B corporate energy services specialist. The company works with their clients, generally large corporates, to procure energy cost effectively, audit and report their usage of it, and help them to optimise their energy efficiency. The company has a strong focus on sustainability with a number of services that help their clients measure, report and improve their ESG performance.

### *Thesis*

Inspired Energy is a leader in the growing, but fragmented, corporate energy services market. The increasing complexity of corporate energy requirements, and increasing regulatory and sustainability imperatives will support continued strong organic growth for the company with a likely 'flight to quality' leading to further increases in market share. The business model of the business is strong with high quality of earnings from long term contracts, high margins (40% EBITDA margin) and return on capital and good cash conversion. The fund's initial investment was made as part of a placing intended to strengthen the balance sheet and provide firepower for the company to undertake a number of bolt on acquisitions to continue to consolidate its position in the market; we believe these deals will be attractive financially and strategically. Although the company's revenues remain depressed due to lower corporate energy usage in 2020, there is significant opportunity for a rebound in revenues, and in the share price, when there is a return to a more normalised environment.

### *Developments in the period*

Interim results were in line with expectations, although trading remained weak due to Covid restrictions over the period weighing on corporate energy usage. The core corporate division experienced a modest 5% organic decline in revenues as a result, although cash conversion and order book progression was good. The non-core SME-focused division, which represented less than 10% of group revenues was weaker, and in November the company announced that they had sold this part of the business to the management team for £10.5m. Strategically, this is a positive development and is in line with our investment thesis. The company remains well capitalised and well positioned to drive growth and execute further M&A once market conditions normalise.

# Investment Manager's Report *(continued)*

## Hyve

### *Description*

Is an international organiser of trade exhibitions and conferences. The company was the 9th largest organiser of exhibitions globally in FY17 by revenue and has added further scale through M&A since. The group organises over 130 trade exhibitions and conferences each year in 14 countries including flagship events like BETT (education technology), CWIEME (electrical motors) and Spring / Autumn Fair (retail sourcing).

### *Thesis*

Although currently severely disrupted due to Covid, the exhibitions industry has fundamental attractions which we believe will continue to be relevant in a post-Covid world. Exhibitions allow exhibitors and attendees to have high quality face-to-face interactions within their industry for sales generation, networking and intelligence gathering; this is very difficult to replicate via other mediums. The exhibitions industry has historically achieved consistent growth, high quality of earning and excellent cash characteristics which has supported high ratings in the sector. Hyve entered 2020 having completed a transformation and growth plan which involved the rationalisation and professionalisation of its event portfolio to improve margins and growth; this was bearing fruit and had been well received by investors. Subsequently, following the disruption to exhibitions due to Covid, the company raised £127m in an underwritten rights issue to provide the balance sheet flexibility to trade through a long period of disruption; the Company initiated its investment at this point. The shares continue to trade on a depressed valuation, and we see material upside when the industry is able to function again. Both private equity and large trade players (e.g. Informa, RELX) have historically been very active in M&A, at multiples in excess of 14x EBITDA; there is potential for this consolidation to continue in due course.

### *Developments in the period*

As expected, final results for the year were very weak, with large swathes of the industry, including Hyve, left at a standstill due to Covid restrictions that have been in place since March last year. On a more positive note the company has been successful at cutting internal costs and renegotiating venue contracts which has reduced the cash burn to low levels. Receipts from its insurance policies, which are almost unique in the industry in their coverage, have also been material, with over £40m being received to date, and potential for a similar amount to be received in 2021. This leaves the company with a robust liquidity position which gives it

the ability to trade until at least Q4 2021 even if no events are able to be run. In December the company acquired Retail Meetup, a digital event platform, for £19m; this enhances the strategic position of the business and illustrates the confidence that management has as we enter 2021.

## Outlook

Despite tighter lockdown restrictions so far in 2021 the UK's progress in the penetration of its vaccine programme provides some optimism that the economy can rebound rapidly as the year progresses. This in turn could stimulate asset allocators to re-evaluate the significant discount being applied to the UK stock market and to UK smaller companies in particular due to their domestic focus. If discounts begin to narrow as markets reopen and earnings recover this may provide a strong tailwind for share prices.

Given the residual uncertainty we still expect periods of sentiment driven market volatility. Lower than average visibility over earnings estimates may drive heightened volatility at the individual stock level. However, we believe that while this may create some challenges it will also provide an environment in which we can unearth good long term investment opportunities at attractive valuations.

The portfolio is well set to deliver a combination of recovery and growth during 2021 with a number of short-term Covid impacted companies yet to share the vaccine related market recovery enjoyed by some more cyclical sectors during the final quarter of 2020. We have also identified a number of opportunities to enhance our engagement with our portfolio companies, particularly through leveraging our network to provide access to expertise to support value creation activities. While this is a long-term process, we hope to provide updates on examples of successful engagement initiatives during the course of this year.

The Fund will maintain its focus on building a high conviction portfolio of less cyclical, high quality, niche growth businesses which the Investment Manager believes can deliver strong returns through the market cycle regardless of the performance of the wider economy.

**Ken Wotton/Adam Khanbhai**  
**Gresham House Asset Management**

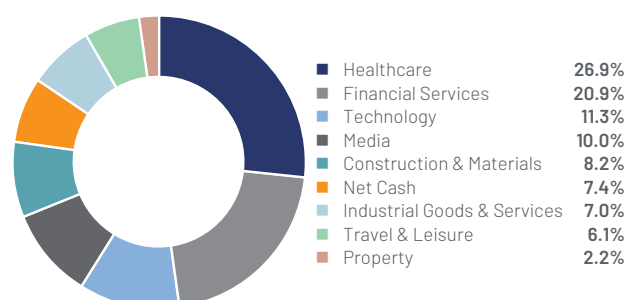
1 March 2021



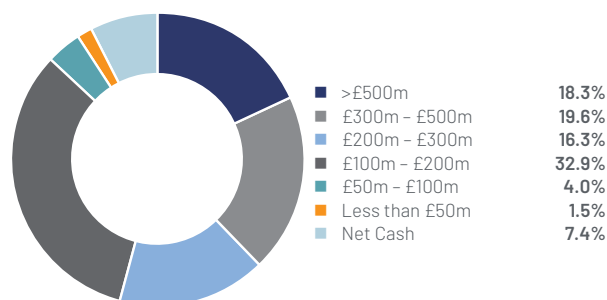
## Portfolio as at 31 December 2020

Company	Sector Classification	Date of first Investment	Cost £'000	Valuation £'000	% of invested portfolio at 31 December 2020	% of invested portfolio at 30 June 2020	% of net assets
Tribal	Technology	Dec 2014	14,275	17,536	10.6	7.0	9.8
Clinigen	Healthcare	Jul 2014	15,228	16,014	9.7	14.9	9.0
Tyman	Construction & Materials	Apr 2007	9,457	14,615	8.8	7.3	8.2
Medica	Healthcare	Mar 2017	16,022	14,505	8.8	7.1	8.1
XPS Pensions	Financial Services	Jul 2019	11,863	13,711	8.3	6.5	7.7
Equiniti	Financial Services	Mar 2016	18,039	10,291	6.2	9.8	5.8
Wilmington	Media	Oct 2010	12,473	9,880	6.0	5.1	5.5
Benchmark	Healthcare	Jun 2019	6,734	9,558	5.8	3.6	5.4
Inspired Energy	Industrial Goods & Services	Jul 2020	8,957	9,227	5.6	-	5.2
Hye	Media	May 2020	6,454	8,026	4.9	3.3	4.5
Alliance Pharma	Healthcare	May 2017	5,208	7,911	4.8	5.3	4.4
Brooks Macdonald	Financial Services	Jun 2016	7,896	7,399	4.5	5.0	4.1
Hostelworld	Travel & Leisure	Oct 2019	9,137	7,110	4.3	4.1	4.0
Harworth	Property	Jul 2016	3,269	3,966	2.4	2.5	2.2
SimplyBiz	Financial Services	Oct 2020	3,020	3,805	2.3	-	2.1
Ten Entertainment	Travel & Leisure	Oct 2020	2,753	3,668	2.2	-	2.1
Strix	Industrial Goods & Services	May 2019	2,271	3,179	1.9	3.1	1.8
Proactis	Technology	Nov 2017	9,308	2,748	1.7	1.5	1.5
JTC	Financial Services	Jun 2019	1,262	1,959	1.2	2.4	1.2
<b>Total investments</b>				<b>165,108</b>			<b>92.6</b>
Cash				13,777			7.7
Net current liabilities				(514)			(0.3)
<b>Total shareholders' funds</b>				<b>178,371</b>			<b>100.0</b>

### Sector split by industry



### Size split by market capitalisation



# Statement of Directors' Responsibilities, Going Concern, Principal Risks and Uncertainties

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## Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half-Yearly Report has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board ("IASB") as adopted by the EU, and gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R;
- the Half-Yearly Report includes a fair review of the information required by:
  - (a) DTR 4.2.7 of the Disclosure Guidance and Transparency Rules, being an indication 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 year; and
  - (b) DTR 4.2.8 of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board of Directors on 1 March 2021 and the above responsibility statement was signed on its behalf by Richard Hills, Chairman.

## Going Concern

The Directors acknowledge that the situation surrounding the Covid pandemic continues to create risks and uncertainties which may impact the Company. Nevertheless, the Directors believe that the Company is well placed to manage its business risks. After making appropriate enquiries and due consideration of the Company's cash balances, the liquidity of the Company's investment portfolio and the cost base of the Company, the Directors have a reasonable expectation that the Company has adequate available financial resources to continue in operational existence for the foreseeable future and accordingly have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Half-Yearly Report, consistent with previous periods.

## Principal Risks and Uncertainties

For the Company, the overriding risks and uncertainties to an investor relate to the markets on which the Company's shares trade, and the shares of the companies in which it invests trade, may move outside the control of the Board.

The principal risks and uncertainties are set out on pages 15 and 16 of the Annual Report for the year ended 30 June 2020, which is available at [www.strategiequitycapital.com](http://www.strategiequitycapital.com). There remain uncertainties resulting from the Covid pandemic that may impact the Company, including investment risks surrounding the companies within the portfolio. The Board continues to work with the Investment Manager, PATAC and its other advisers to manage these risks as far as possible in these uncertain times.

The Company's principal risks and uncertainties have not changed since the date of the Annual Report and are not expected to change for the remaining six months of the Company's financial year.

# Statement of Comprehensive Income

for the six month period to 31 December 2020

STRATEGIC EQUITY CAPITAL  
HALF-YEARLY REPORT &  
FINANCIAL STATEMENTS

	Note	Six month period to 31 December 2020 unaudited			Year ended 30 June 2020 audited			Six month period to 31 December 2019 unaudited		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
<b>Investments</b>										
Gains/(losses) on investments held at fair value through profit or loss	6	-	27,078	27,078	-	(15,551)	(15,551)	-	13,268	13,268
		-	27,078	27,078	-	(15,551)	(15,551)	-	13,268	13,268
<b>Income</b>										
Dividends	2	1,102	-	1,102	2,260	-	2,260	1,697	-	1,697
Interest	2	1	-	1	45	-	45	33	-	33
<b>Total income</b>		<b>1,103</b>	<b>-</b>	<b>1,103</b>	<b>2,305</b>	<b>-</b>	<b>2,305</b>	<b>1,730</b>	<b>-</b>	<b>1,730</b>
<b>Expenses</b>										
Investment Manager's fee	8	(140)	-	(140)	(1,134)	-	(1,134)	(635)	-	(635)
Investment Manager's performance fee	9	-	(327)	(327)	-	-	-	-	(45)	(45)
Other expenses	3	(299)	-	(299)	(931)	-	(931)	(303)	-	(303)
<b>Total expenses</b>		<b>(439)</b>	<b>(327)</b>	<b>(766)</b>	<b>(2,065)</b>	<b>-</b>	<b>(2,065)</b>	<b>(938)</b>	<b>(45)</b>	<b>(983)</b>
<b>Net return before taxation</b>		<b>664</b>	<b>26,751</b>	<b>27,415</b>	<b>240</b>	<b>(15,551)</b>	<b>(15,311)</b>	<b>792</b>	<b>13,223</b>	<b>14,015</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net return and total comprehensive income for the period</b>		<b>664</b>	<b>26,751</b>	<b>27,415</b>	<b>240</b>	<b>(15,551)</b>	<b>(15,311)</b>	<b>792</b>	<b>13,223</b>	<b>14,015</b>
<b>Return per Ordinary share</b>	<b>5</b>	pence <b>1.05</b>	pence <b>42.26</b>	pence <b>43.31</b>	pence 0.38	pence (24.54)	pence (24.16)	pence 1.25	pence 20.85	pence 22.10

The total column of this statement represents the Statement of Comprehensive Income. The supplementary revenue and capital return columns are both prepared under guidance published by the AIC.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The notes on pages 23 to 27 form an integral part of these Half-Yearly financial statements.

# Statement of Changes in Equity

## for the six month period to 31 December 2020

	Note	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six month period to 31 December 2020 unaudited</b>								
1 July 2020		6,986	31,737	24,567	84,359	2,264	1,834	151,747
Net return and total comprehensive income for the period		-	-	-	26,751	-	664	27,415
Dividend paid	4	-	-	-	-	-	(791)	(791)
<b>31 December 2020</b>		<b>6,986</b>	<b>31,737</b>	<b>24,567</b>	<b>111,110</b>	<b>2,264</b>	<b>1,707</b>	<b>178,371</b>
<b>For the year to 30 June 2020 audited</b>								
1 July 2019		6,986	31,737	25,595	99,910	2,264	2,545	169,037
Net return and total comprehensive income for the year		-	-	-	(15,551)	-	240	(15,311)
Dividend paid	4	-	-	-	-	-	(951)	(951)
Share buy-backs		-	-	(1,028)	-	-	-	(1,028)
<b>30 June 2020</b>		<b>6,986</b>	<b>31,737</b>	<b>24,567</b>	<b>84,359</b>	<b>2,264</b>	<b>1,834</b>	<b>151,747</b>
<b>For the six month period to 31 December 2019 unaudited</b>								
1 July 2019		6,986	31,737	25,595	99,910	2,264	2,545	169,037
Net return and total comprehensive income for the period		-	-	-	13,223	-	792	14,015
Dividend paid	4	-	-	-	-	-	(951)	(951)
Share buy-backs		-	-	(1,028)	-	-	-	(1,028)
<b>31 December 2019</b>		<b>6,986</b>	<b>31,737</b>	<b>24,567</b>	<b>113,133</b>	<b>2,264</b>	<b>2,386</b>	<b>181,073</b>

The notes on pages 23 to 27 form an integral part of these Half-Yearly financial statements.

# Balance Sheet

## as at 31 December 2020

STRATEGIC EQUITY CAPITAL  
HALF-YEARLY REPORT &  
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	As at 31 December 2020 unaudited £'000	As at 30 June 2020 audited £'000	As at 31 December 2019 unaudited £'000
	Note		
<b>Non-current assets</b>			
Investments held at fair value through profit or loss	6	165,108	138,158
			173,460
<b>Current assets</b>			
Trade and other receivables		69	55
Cash and cash equivalents		13,777	13,901
		13,846	8,124
<b>Total assets</b>		<b>178,954</b>	<b>152,114</b>
			181,584
<b>Current liabilities</b>			
Trade and other payables		(583)	(367)
			(511)
<b>Net assets</b>		<b>178,371</b>	<b>151,747</b>
			181,073
<b>Capital and reserves</b>			
Share capital		6,986	6,986
Share premium account		31,737	31,737
Special reserve		24,567	24,567
Capital reserve		111,110	84,359
Capital redemption reserve		2,264	2,264
Revenue reserve		1,707	1,834
<b>Total shareholders' equity</b>		<b>178,371</b>	<b>151,747</b>
			181,073
		<b>pence</b>	pence
<b>Net asset value per share</b>		<b>281.80</b>	239.74
			286.07
		<b>number</b>	number
<b>Ordinary shares in issue</b>	7	<b>63,296,844</b>	63,296,844
			63,296,844

The notes on pages 23 to 27 form an integral part of these Half-Yearly financial statements.



# Statement of Cash Flows

## for the six month period to 31 December 2020

	Six month period to 31 December 2020 unaudited £'000	Year ended 30 June 2020 audited £'000	Six month period to 31 December 2019 unaudited £'000
<b>Operating activities</b>			
Net return before taxation	27,415	(15,311)	14,015
Adjustment for (gains)/losses on investments	(27,078)	15,554	(13,265)
Adjustment for revaluation of foreign currency balances	-	(3)	(3)
Operating cash flows before movements in working capital	337	240	747
(Increase)/decrease in receivables	(15)	77	(106)
Increase/(decrease) in payables	425	(752)	(401)
Purchases of portfolio investments	(29,971)	(59,880)	(34,437)
Sales of portfolio investments	29,891	60,024	27,891
<b>Net cash flow from operating activities</b>	<b>667</b>	<b>(291)</b>	<b>(6,306)</b>
<b>Financing activities</b>			
Equity dividend paid	(791)	(951)	(951)
Shares bought back in the period	-	(1,171)	(1,171)
<b>Net cash flow from financing activities</b>	<b>(791)</b>	<b>(2,122)</b>	<b>(2,122)</b>
<b>Decrease in cash and cash equivalents for period</b>	<b>(124)</b>	<b>(2,413)</b>	<b>(8,428)</b>
Cash and cash equivalents at start of period	13,901	16,311	16,311
Revaluation of foreign currency balances	-	3	3
<b>Cash and cash equivalents at end of the period</b>	<b>13,777</b>	<b>13,901</b>	<b>7,886</b>

The notes on pages 23 to 27 form an integral part of these Half-Yearly financial statements.

# Notes to the Financial Statements

## for the six month period to 31 December 2020

### 1.1 Corporate information

Strategic Equity Capital plc is a public limited company incorporated and domiciled in the United Kingdom, registered in England and Wales under the Companies Act 2006 whose shares are publicly traded. The Company is an investment company as defined by Section 833 of the Companies Act 2006.

The Company carries on business as an investment trust within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

### 1.2 Basis of preparation/statement of compliance

The condensed interim financial statements of the Company have been prepared on a going concern basis and in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board (as adopted by the EU). They do not include all the information required for a full report and financial statements and should be read in conjunction with the report and financial statements of the Company for the year ended 30 June 2020, which have been prepared in accordance with IFRS as adopted by the EU. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trust companies and venture capital trusts issued by the AIC is consistent with the requirements of IFRS, the Directors have sought to prepare financial statements on a basis compliant with the recommendations of the SORP.

The condensed interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial statements for the six month periods to 31 December 2020 and 31 December 2019 have not been either audited or reviewed by the Company's Auditor. Information for the year ended 30 June 2020 has been extracted from the latest published Annual Report and financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

#### Convention

The financial statements are presented in Sterling, being the currency of the Primary Economic Environment in which the Company operates, rounded to the nearest thousand.

#### Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

### 1.3 Accounting policies

The accounting policies, presentation and method of computation used in these condensed financial statements are consistent with those used in the preparation of the financial statements for the year ended 30 June 2020.

### 1.4 New standards and interpretations not applied

Implementation of changes and accounting standards in the financial periods, as outlined in the financial statements for the year ended 30 June 2020, had no significant effect on the accounting or reporting of the Company.

# Notes to the Financial Statements *(continued)*

for the six month period to 31 December 2020

## 2. Income

	Six month period to 31 December 2020 unaudited £'000	Year ended 30 June 2020 audited £'000	Six month period to 31 December 2019 unaudited £'000
<b>Income from investments</b>			
UK dividend income	1,102	2,260	1,697
<b>Other operating income</b>			
Liquidity interest	1	45	33
<b>Total income</b>	<b>1,103</b>	<b>2,305</b>	<b>1,730</b>

## 3. Other expenses

	Six month period to 31 December 2020 unaudited £'000	Year ended 30 June 2020 audited £'000	Six month period to 31 December 2019 unaudited £'000
Secretarial services	74	148	74
Auditors' remuneration for:			
Audit services	21	30	18
Directors' remuneration	71	142	71
Other expenses	133	611	140
	<b>299</b>	<b>931</b>	<b>303</b>

## 4. Dividend

The Company paid a final dividend of 1.25p in respect of the year ended 30 June 2020 (30 June 2019: 1.50p) per Ordinary share on 63,296,844 (30 June 2019: 63,396,844) shares, amounting to £791,211 (30 June 2019: £950,953). The dividend was paid on 18 November 2020 to Shareholders on the register at 16 October 2020. In line with previous years, the Board does not intend to propose an interim dividend.

## 5. Return per Ordinary share

	Six month period to 31 December 2020			Year ended 30 June 2020			Six month period to 31 December 2019		
	Revenue return pence	Capital return pence	Total return pence	Revenue return pence	Capital return pence	Total return pence	Revenue return pence	Capital return pence	Total return pence
Return per Ordinary share	1.05	42.26	43.31	0.38	(24.54)	(24.16)	1.25	20.85	22.10

Returns per Ordinary share are calculated based on 63,296,844 (30 June 2020: 63,362,889 and 31 December 2019: 63,428,216) being the weighted average number of Ordinary shares, excluding shares held in treasury, in issue throughout the period.

## 6. Investments

31 December 2020  
£'000

### *Investment portfolio summary*

Quoted investments at fair value through profit or loss	<b>165,108</b>
---------------------------------------------------------	----------------

The Company is required to classify its investments using a fair value hierarchy that reflects the subjectivity of the inputs used in measuring the fair value of each asset. The fair value hierarchy has the following levels:

Investments whose values are based on quoted market prices in active markets are classified within level 1 and include active listed equities. The Company does not adjust the quoted price for these instruments.

The definition of level 1 inputs refers to 'active markets' which is a market in which transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis. Due to the liquidity levels of the markets in which the Company trades, whether transactions take place with sufficient frequency and volume is a matter of judgement, and depends on the specific facts and circumstances. The Investment Manager has analysed trading volumes and frequency of the Company's portfolio and has determined these investments as level 1 of the hierarchy.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 instruments include private equity, as observable prices are not available for these securities the Company has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines.

The underlying funds primarily invest in private companies which are recorded at cost or fair value derived from private equity valuation models and techniques. The main inputs into the valuation models of the underlying funds include industry performance, company performance, quality of management, the price of the most recent financing round or prospects for the next financing round, exit opportunities which are available, liquidity preference and net present value analysis.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value of the investment.

### *Financial instruments at fair value through profit or loss as at 31 December 2020*

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	165,108	-	-	<b>165,108</b>
Liquidity funds	-	7,457	-	<b>7,457</b>
Total	165,108	7,457	-	<b>172,565</b>

# Notes to the Financial Statements *(continued)*

## for the six month period to 31 December 2020

### 6. Investments *(continued)*

The below table presents the movement in level 3 instruments for the period ended 31 December 2020.

	£'000
Opening balance at 30 June 2020	9
Decrease in valuation during the period included in the Statement of Comprehensive Income	(9)
Closing balance at 31 December 2020	-

The valuation for Vintage I was written off during the period.

There were no transfers between levels for the period ended 31 December 2020.

A list of the portfolio holdings is given in the Investment Manager's Report on page 17.

	31 December 2020 Total £'000
<i>Analysis of capital gains:</i>	
Gains on sale of investments	14,057
Movement in investment holding gains	13,021
	27,078

### 7. Share capital

	Number	31 December 2020 £'000
Allotted, called up and fully paid Ordinary shares of 10p each:		
Ordinary shares in circulation at 30 June 2020	69,858,891	6,986
Shares held in treasury at 30 June 2020	(6,562,047)	(656)
Ordinary shares in issue per Balance Sheet at 30 June 2020	63,296,844	6,330
Shares bought back during the period to be held in treasury	-	-
Ordinary shares in issue per Balance Sheet at 31 December 2020	63,296,844	6,330
Shares held in treasury at 31 December 2020	6,562,047	656
Ordinary shares in circulation at 31 December 2020	69,858,891	6,986

During the period to 31 December 2020 no Ordinary shares were bought back or issued by the Company.

### 8. Investment Manager's fee

A basic management fee is payable to the Investment Manager at the annual rate of 0.75% of the NAV of the Company. The basic management fee accrues daily and is payable quarterly in arrears. Gresham House Asset Management agreed that no management fee would be payable by the Company for six months from 21 May 2020.

The Investment Manager is also entitled to a performance fee, details of which are set out below.

## 9. Performance fee arrangements

The Company's performance is measured over rolling three-year periods ending on 30 June each year, by comparing the NAV total return per share over a performance period against the total return performance of the FTSE Small Cap (ex Investment Companies) Index. A performance fee is payable if the NAV total return per share (calculated before any accrual for any performance fee to be paid in respect of the relevant performance period) at the end of the relevant performance period exceeds both:

- (i) the NAV per share at the beginning of the relevant performance period as adjusted by the aggregate amount of (a) the total return on the FTSE Small Cap (ex Investment Companies) Index (expressed as a percentage) and (b) 2.0% per annum over the relevant performance period ("Benchmark NAV"); and
- (ii) the high watermark (which is the highest NAV per share by reference to which a performance fee was previously paid).

The Investment Manager is entitled to 10% of any excess of the NAV total return over the higher of the Benchmark NAV per share and the high watermark. The aggregate amount of the Management Fee and the Performance Fee in respect of each financial year of the Company shall not exceed an amount equal to 1.4% per annum of the NAV of the Company as at the end of the relevant financial period.

A performance fee of £327,000 has been accrued in respect of the six months ended 31 December 2020 (30 June 2020: £nil; 31 December 2019: £45,000).

## 10. Taxation

The tax charge for the half year is £nil (30 June 2020: £nil; 31 December 2019: £nil). The estimated effective corporation tax rate for the year ended 30 June 2020 is 0%. This is because investment gains are exempt from tax owing to the Company's status as an investment company and there is expected to be an excess of management expenses over taxable income.

## 11. Related party transactions

The Investment Manager is regarded as a related party of the Company.

The amount payable to the Investment Manager, in respect of management fees, during the period to 31 December 2020 was £140,000 (30 June 2020: £1,134,000; 31 December 2019: £635,000), of which £140,000 (30 June 2020: £nil; 31 December 2019: £322,000) was outstanding at 31 December 2020. The amount due to the Investment Manager for performance fees at 31 December 2020 was £327,000 (30 June 2020: £nil; 31 December 2019: £45,000).

# Directors and Advisers

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## Directors

Richard Hills (Chairman)  
Richard Locke (Deputy Chairman)  
William Barlow  
Josephine Dixon  
David Morrison

## Auditor

KPMG LLP  
Saltire Court  
20 Castle Street  
Edinburgh EH1 2EG

## Broker

Investec Bank plc  
30 Gresham Street  
London EC2V 7QP

## Custodian

J.P. Morgan Chase Bank N.A.  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Depository

J.P. Morgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Investment Manager

Gresham House Asset Management Limited  
Octagon Point  
5 Cheapside  
London EC2V 6AA  
Tel: 020 3837 6270

## Registrar

Computershare Investor Services plc  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZY  
Tel: 0370 707 1285  
Website: [www.computershare.com](http://www.computershare.com)

## Solicitor

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH

## Company Secretary and Administrator

PATAC Limited  
28 Walker Street  
Edinburgh EH3 7HR  
Tel: 0131 378 0500

## Registered Office

c/o Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH



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## Financial calendar

Company's year-end	30 June
Annual results announced	October
Annual General Meeting	November
Company's half-year	31 December
Half-yearly results announced	February

## Share price

The Company's Ordinary shares are premium listed on the main market of the London Stock Exchange plc (the "London Stock Exchange"). The share price is quoted daily in the Financial Times under 'Investment Companies'.

## Share dealing

Shares can be traded through your usual stockbroker.

## Share register enquiries

The register for the Ordinary shares is maintained by Computershare Investor Services plc ("Registrar"). In the event of queries regarding your holding, please contact the Registrar, on 0370 707 1285. Changes of name and/or address must be notified in writing to the Registrar, whose address is shown on page 28.

## NAV

The Company's NAV is announced daily to the London Stock Exchange.

## Website

Further information on the Company can be accessed via the Company's website: [www.strategicequitycapital.com](http://www.strategicequitycapital.com)

