STRATEGIC EQUITY CAPITAL PLC

HALF-YEARLY REPORT & FINANCIAL STATEMENTS

for the six month period to 31 December 2021

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

Since 1857
Gresham House
Specialist asset management

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.£6.5bn 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. They are a member of UK Sustainable Investment and Finance Association (UKSIF), a signatory to the UK Stewardship Code, and have also been awarded the LSE Green Economy Mark.

Gresham House is an active investor and acts as a long-term steward of the assets across their portfolio. They believe that active ownership, including engagement and voting, are effective mechanisms designed to minimise risk and maximise returns. Across all their asset classes, they believe that understanding and, wherever possible, improving on environmental, social, economic and governance (ESG) performance drives long-term value, and aim to work proactively with management teams and key stakeholders to make a positive change over time.

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 of the Investment Strategy can be found in the Investment Manager's Report on page 5.

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Financial Summary

	As at 31 December 2021	As at 30 June 2021	As at 31 December 2020	Six months % change to 31 December 2021
Capital return				
Net asset value ("NAV") per Ordinary share†	**355.19p**	350.05p	281.80p	1.5%
Ordinary share price	**317.00p**	311.00p	232.00p	1.9%
Discount[1] of Ordinary share price to NAV	**(10.8)%**	(11.2)%	(17.7)%	
Average discount[1] of Ordinary share price to NAV for the period	**(13.7)%**	(17.7)%	(20.8)%	
Total assets (£'000)	**225,374**	223,759	178,954	0.7%
Equity Shareholders' funds (£'000)	**224,824**	221,569	178,371	1.5%
Ordinary shares in issue with voting rights	**63,296,844**	63,296,844	63,296,844	–

	Six month period to 31 December 2021	Year ended 30 June 2021	Six month period to 31 December 2020
Performance			
NAV total return for the period[2]	**1.9%**	46.8%	18.1%
Share price total return for the period[3]	**2.5%**	59.9%	19.3%
Comparative index‡ total return for the period	**2.1%**	65.2%	28.5%
Ongoing charges – annualised[4]	**1.05%**	1.07%	1.11%
Ongoing charges (including performance fee) – annualised[4]	**1.05%**	1.07%	1.35%
Revenue return per Ordinary share	**1.71p**	1.34p	1.05p
Dividend yield[5]	**n/a**	0.5%	n/a
Proposed dividend for period	**n/a**	1.60p	n/a

Interim period's Highs/Lows	**High**	**Low**
NAV per Ordinary share	357.9p	333.4p
Ordinary share price	322.0p	284.0p

† *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.*

‡ *FTSE Small Cap (ex Investment Trusts) Index.*

Alternative Performance Measures

1 *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.*

2 *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.*

3 *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.*

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

5 *Dividend yield. The proposed annual dividend expressed as a percentage of the share price.*

Chairman's Report

Introduction

Recent weeks have been dominated by the Russian invasion of Ukraine. We, of course, hope that a peaceful outcome can be found. The Board continues to monitor any impact the conflict may have on the Company.

While the performance of the smaller companies within the UK stock market has been unexciting over the past half year your Board have been kept busy. I am pleased to say that at the AGM on 10 November 2021 all Resolutions were passed including the Annual Continuation vote and with a minimum vote in favour of all Resolutions above 90% in each case. Then, just before Christmas, we received an unsolicited approach from the Board of Odyssean Investment Trust plc to merge your trust with theirs. After thorough consideration of the proposals with our advisers and detailed discussions with some of our largest shareholders, the Board decided to back a counter-proposal developed in conjunction with our current manager and to continue to support Ken Wotton our lead portfolio manager and the Gresham House Strategic Equity team.

The Company has started to benefit from encouraging performance under Ken's oversight; however, the discount to NAV at which our shares trade has remained at an unacceptably high level. On 9 February the Board announced a number of initiatives which are discussed later on in my report and which we intend to have a significant and narrowing effect on the discount over the next two years. Shareholders overwhelmingly supported these proposals at the Company's General Meeting held on 23 March 2022.

In addition, the Board has recently approved a joint marketing proposal put forward by its investment manager, stockbroker and PR agent to raise the level of marketing and the awareness of the Company across the investor community. We expect this to generate additional buying of the Company's shares and contribute to a narrowing of the discount.

While the discount at which the shares trade has significantly narrowed over the past 18 months, reducing the discount yet further is now our number one priority. We are optimistic that increased and more focused marketing efforts, aided by the strong improvement in performance which we have witnessed during 2022, will enable us to achieve this goal.

Performance

During the six months to 31 December 2021, the Company's NAV per share (on a total return basis) increased by 1.9%. The FTSE Small Cap (ex Investment Trusts) Total Return Index ("FTSE Small Cap Index"), which we use for comparison purposes only, increased by 2.1%. Over the same period, the share price of the Company increased by 2.5% on a total return basis. Market conditions normalised somewhat during the period; a contrast to the exceptional market rebound, driven largely by more cyclical sectors, experienced over the latter parts of 2020 and early 2021. Performance has remained robust into 2022 with the Company's NAV per share (on a total return basis) down 6.4% in the two months ended 28 February 2022; ahead of the FTSE Small Cap Index which decreased 7.1% over the same period.

Returns have been strong over the medium term, which the Board considers to be a truer measure of performance. Over the three years ending 31 December 2021, the NAV total return was 15.6% on an annualised basis, broadly in line with both the targeted level of return for the strategy (15% pa absolute return) and the annualised benchmark return of 16.2% over the same period.

The key driver of NAV performance over the six months to 31 December 2021 was the recommended bid for Clinigen Group from Triton Partners, a European private equity firm. This is a good conclusion to what has been an excellent long-term investment for the Company, generating a high teens IRR over more than seven years. It is also worthwhile mentioning the approach for recent investment River & Mercantile from a combination of Schroders and AssetCo. Both situations are an apt illustration of the latent value that the manager sees in the portfolio. The performance of the Company is discussed more fully in the Investment Manager's Report on page 10.

Development of the Company

Ken Wotton (Managing Director, Public Equity at Gresham House) has now been Lead Manager of the Company for 18 months. Working closely with the wider and growing Public Equity Team, Ken's strong leadership has already started to produce encouraging results.

Ken's appointment has resulted in no fundamental change in strategy, but to maximise engagement opportunities the Company is now focused on investments that have a market capitalisation in the region of £100 million to £300 million at the point of entry. Since Ken's appointment, and following a detailed portfolio review, the team has fully exited nine investments and initiated positions in seven new holdings. The manager now considers the process of portfolio evolution to be complete; the weighted average market capitalisation of the Company's investments was £393 million at the period end, and £292 million excluding Clinigen – well within the expected range for the stated strategy. The evolution of the portfolio, and the principles behind its construction, are discussed in more detail in the Investment Manager's Report on page 7.

The Board is pleased with the progress made by Gresham House since their appointment and the investment returns achieved. Further, Gresham House Asset Management, directly and indirectly through its in-house funds, has shown its commitment to the Company by holding 3,400,748 shares in the Company as at the end of December 2021 and has committed to purchase additional shares over the next 15 months.

Discount and Discount Management

The average discount to NAV of the Company's shares during the period was 13.7%, compared to the equivalent 20.8% figure from the prior year. The discount range was 8.9% to 16.7%. The share price discount to NAV ended the period at 10.8%.

As reported above, the Board has announced a series of proposals which it believes will address the persistent discount. These include:

- the implementation of a tender offer for up to 10 per cent. of the Company's share capital. The tender offer was approved by shareholders on 23 March 2022 and a total of 6,329,685 shares were repurchased at a cost of 322.8748 pence per share.
- following the completion of the initial tender offer, the implementation of a share buyback programme for up to an additional approximate 9 per cent. of NAV with Shares repurchased during the 2022 calendar year at a discount to NAV of greater than 5 per cent;
- a new buyback policy to return 50 per cent. of proceeds from profitable realisations, at greater than a 5 per cent. discount on an ongoing basis, in each financial year, commencing in the financial year ending 30 June 2023;
- a commitment by Gresham House plc to use £5 million of its cash resources to purchase Shares by June 2023 at greater than a 5 per cent. discount;
- an ongoing commitment by Gresham House Asset Management to reinvest 50 per cent. of its management fee per quarter in shares if the Company's shares trade at an average discount of greater than 5 per cent. for the quarter; and
- the deferral of the continuation resolutions that would otherwise be proposed at the Company's annual general meetings in 2022, 2023 and 2024 in favour of the implementation of a 100 per cent. realisation opportunity for Shareholders in 2025, the structure and timing of which will be communicated by the Board in due course.

The Board

As I have previously announced I shall be retiring from the Board at the AGM in November 2022 following nine years as a director of the Company. The Board will go through a rigorous selection process for the new Chairman in due course. In the meantime, I am delighted that Annie Coleman has joined the Board as of 17 February 2022. Annie brings with her an immense amount of experience and understanding of branding, culture and marketing within financial services companies. As these areas are now our centre of focus, her arrival is well timed.

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.

Outlook

Has Covid been beaten and what will be the outcome of the Russian invasion of Ukraine? At present these two questions dominate the debate on how stock markets will move in the coming months. The impact of Covid certainly appears to be waning and if we escape another new variant then the world should return to some form of normality over the course of this year. However, it is still uncertain whether inflation, which has become a by-product of Covid, is here to stay or a passing problem. If it starts to trend downwards again then all well and good, but otherwise higher interest rates will be required to tame it and this could induce a global recession and weak stock markets.

Meanwhile the extent of Russia's military action in the Ukraine will pose varying degrees of diplomatic problems. If the West brings in even tougher sanctions in retaliation, then Russia could cut off gas supplies to Europe for a while at least, further fuelling inflation.

Chairman's Report *(continued)*

On the positive side we do seem to be witnessing a strong global economic rebound from the pandemic. In the short term, uncertainty induced by Russia may well determine how stock markets behave, thereafter it will be contingent on whether inflation and interest rates continue to rise.

Judicious stock picking will be the key to success as companies that are not expensive and which can maintain margins even in inflationary periods should be able to produce reasonable returns to shareholders in whatever scenario plays out.

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

Richard Hills
Chairman
24 March 2022

Investment Manager's Report

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 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; underappreciated strategic value; and opportunity for positive strategic 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, and 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 return.
- 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 7) 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 1955-2021

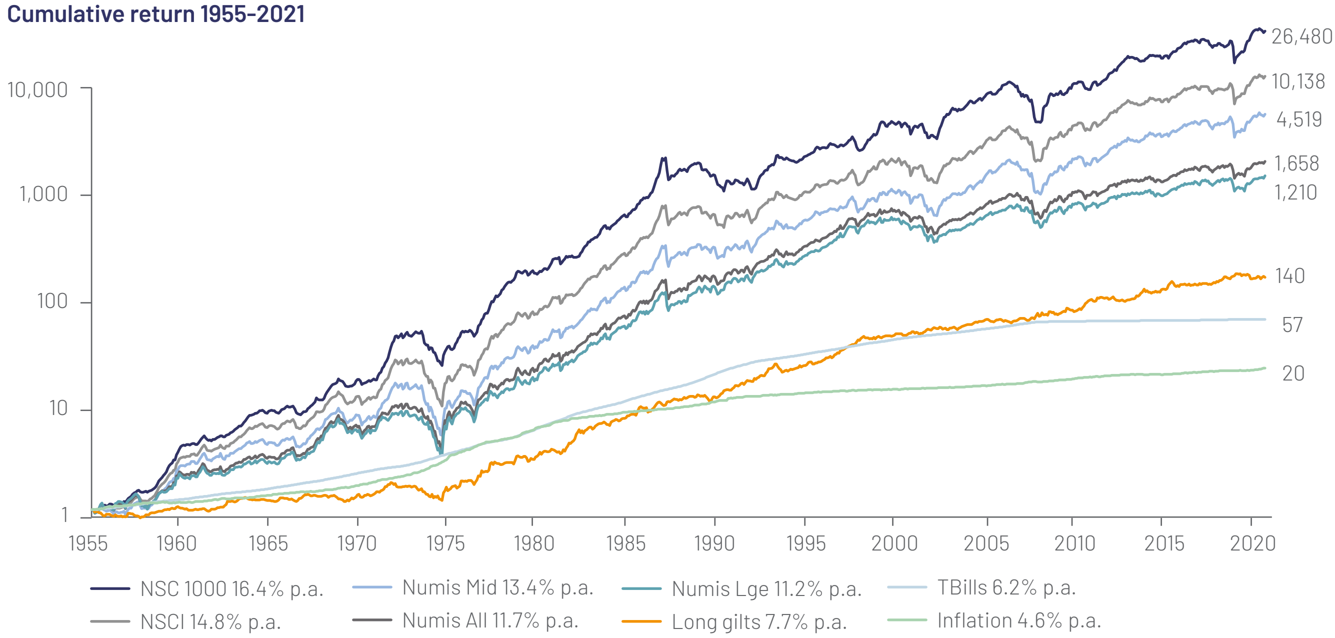
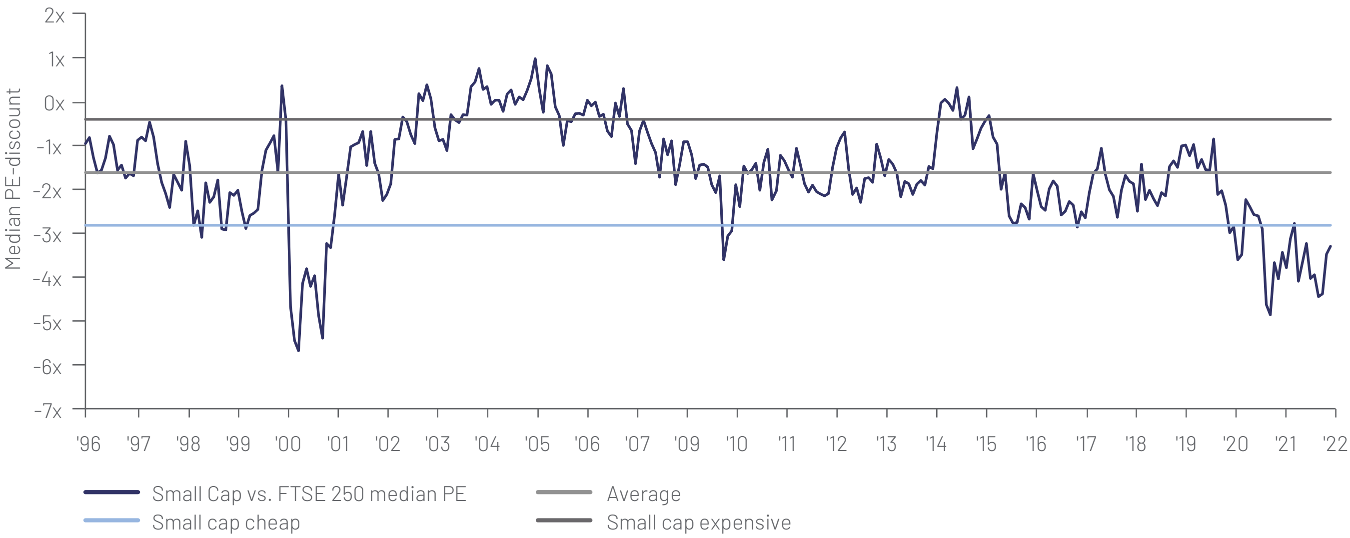


Figure 2: 'Small-cap discount'

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 weighted towards, but not exclusively, the Software, Healthcare and Business Services sectors, in addition to higher quality businesses in other areas. The underlying value drivers are typically company specific and exhibit limited correlation even within the same broad sectors. Figure 3 on page 8 sets out the sector exposure of the Company as at 31 December 2021.

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 2021. 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

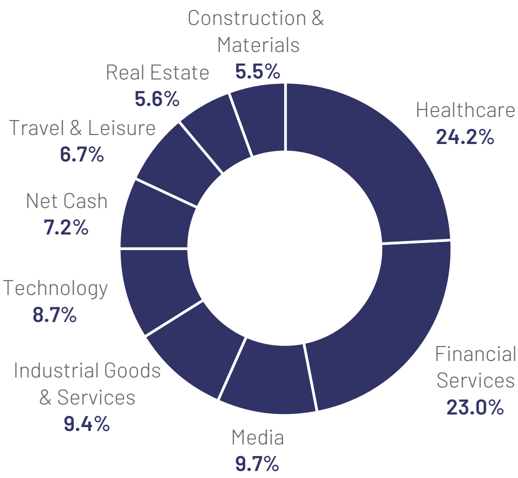
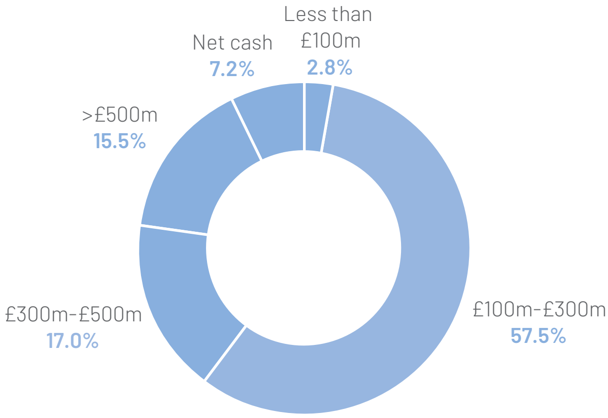
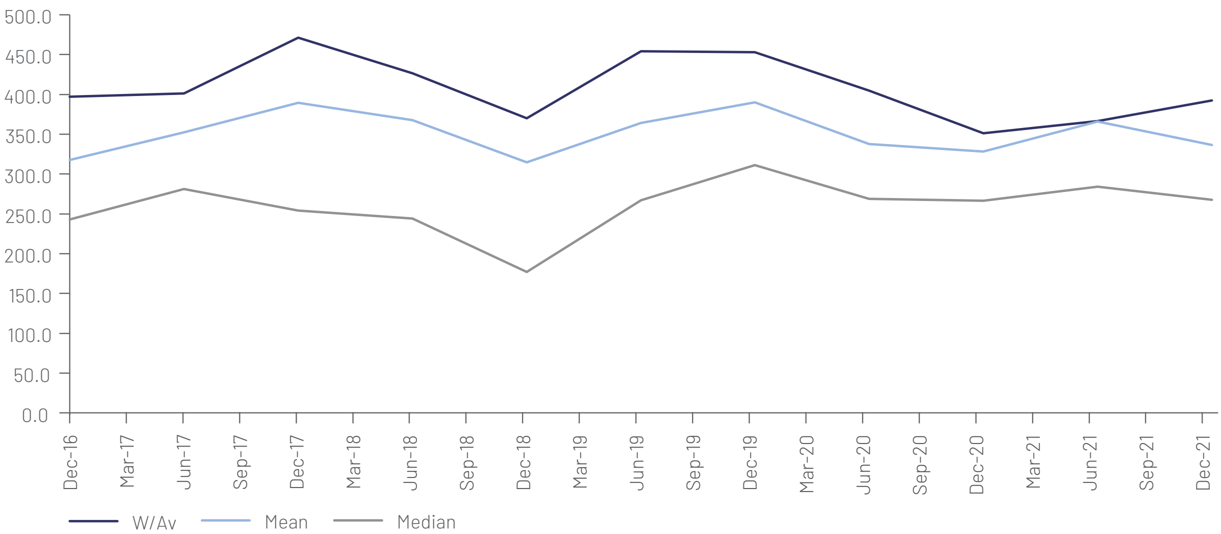


Figure 4: Value by market cap band



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 five years since December 2016 the average portfolio market capitalisation has been maintained within this range (see Figure 5 below).

Figure 5: Average Portfolio Market Capitalisation £m



The weighted average market capitalisation of portfolio holdings decreased to £393m as at 31 December 2021 compared to £405m as at 30 June 2020. This was despite the significant increase in average share prices experienced over this period. This underlying reduction was driven by portfolio rebalancing activity over the period. The Trust has exited some larger holdings such as Ergomed, Equiniti, 4Imprint, Numis, JTC, Strix and Alliance Pharma, where the investment thesis had largely played out and the market capitalisation averaged almost £500m at the point of exit. These were replaced by new holdings such as Inspired, Fintel, Ten Entertainment, LSL Property Services, Idox, Ricardo and Nexus Infrastructure with a lower average market capitalisation of just under £200m at the point of initial investment, in line with the Manager's stated strategy.

We set out a description of the Top 10 holdings as at 31 December 2021 on page 11 together with a high level summary of the investment case and recent developments for each position.

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. We have also engaged with an increasing number of portfolio companies regarding their ESG strategy and remuneration policy; we believe both areas are critical to delivering long term shareholder value in line with our stated 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 the last six months have been: Hyve where the Trust supported the implementation of a long term incentive scheme for management and participated in a placing of new equity to undertake a small but complementary acquisition; Medica where we met with the chairman regarding the future strategy of the company and appropriate incentive schemes to support this; and Clinigen, where we had multiple meetings with board members and advisors, primarily regarding strategy and capital allocation, prior to the bid being received from Triton Partners late in the period.

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 2021

Over the six month period we have made good progress with the transition of the portfolio: purchasing three new holdings which represented 7% of NAV at the end of the period, fully exiting four positions which represented 12% of NAV at the start of the period, and adding to a number of core positions. At the end of the period the number of influential equity stakes where GHAM funds, in aggregate, hold a 5% or more equity stake now stands at nine, and represents 52% of the portfolio by value. A number of enhanced engagement initiatives are now underway with portfolio companies across a number of areas such as board composition, capital allocation, ESG strategy, 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 2.1% on a total return basis. This headline figure however masked significant intra-period volatility at both a stock and sector level driven by the uncertain and uneven recovery from the effects of the Covid-19 pandemic. In addition, the combination of tight labour markets, increasing energy costs and global supply chain disruptions led to a challenging operating environment for many businesses. At a macro-economic level these factors created inflationary pressures that increasingly appear to be less transitory than central bankers would care to admit; in December inflation hit 5.4% in the UK and 7% in the US, 29 and 39 year highs respectively. Late in the period these challenges were compounded by the emergence of the Omicron variant and the associated restrictions which again led to a divergence in the performance between those companies and sectors perceived to be 'Covid winners' and 'Covid losers'.

Whilst these factors make for a challenging investment environment, we believe the fundamentals remain encouraging for UK small cap investors that are able to take a long term view and look through potential short term noise. The discounted valuation applied to the UK and to UK smaller companies in particular remains material, whilst business and consumer confidence remains high. In addition, the M&A environment remains very active with significant activity in terms of both IPOs, secondary issuance by listed companies to support acquisitions, and buyouts from private equity and foreign buyers – aptly illustrated by the approaches for portfolio holdings Clinigen, and River & Mercantile during the period.

Performance Review

Despite the challenging market backdrop, net asset value ("NAV") consolidated the exceptional gains recorded over the prior year with NAV increasing 1.9% on a total return basis over the six months to the end of December, broadly in line with the index, and ending the period at 355.2p, just off the all time high. There was a stark divergence in performance across the portfolio. On the positive side inbound M&A activity drove strong returns in Clinigen and River & Mercantile, whilst companies with resilient 'Covid-proof' business models also performed well. Conversely, businesses that faced further disruption from the emergence of the Omicron variant suffered late in the period as sentiment soured.

Although share price (and therefore NAV) performance was relatively muted, by and large we were encouraged by the operational and strategic performance of portfolio holdings over the period. Strong end market demand has supported trading, whilst proactive management action has mitigated much of the impact of inflationary pressures and supply chain challenges. We believe this is a function of our focus on higher quality businesses with high economic moats and experienced management teams; as such we are cautiously optimistic for the prospects of the portfolio as we enter 2022.

Top 5 Contributors to Performance

Company	Share Price Total Return for the six months to 31 December 2021 %	Valuation at period end £'000	Period attribution (basis points)
Clinigen	48.9	22,562	477
Brooks Macdonald	18.8	14,236	103
River & Mercantile	40.3	6,372	86
XPS	4.6	20,425	41
Tribal	2.4	16,786	21

Clinigen, a specialist pharmaceuticals and pharmaceutical services provider, saw its shares increase by 49% on the back of the bid from Triton Partners, a European Private Equity firm. **Brooks Macdonald**, a UK wealth management firm, rerated over the course of the period on the back of an improving trajectory in net flows and margins. **River & Mercantile**, a specialist asset management and financial advisory firm, increased by 40% as it announced the sale of its Solutions division to Schroders, and entered into a sales process for its remaining Asset Management division. Both **XPS**, a provider of actuarial and consulting services to UK pension funds, and **Tribal**, an educational software and services provider, continued to demonstrate robust performance in line with expectations and rerated modestly as a result.

Bottom 5 Contributors to Performance

Company	Share Price Total Return for the six months to 31 December 2021%	Valuation at period end £'000	Period attribution (basis points)
Hostelworld	(37.2)	6,244	(168)
Hyve	(29.1)	7,668	(126)
Medica	(6.1)	23,428	(70)
Tyman	(10.4)	12,335	(65)
Inspired	(9.9)	12,398	(62)

Hostelworld, a hostel focused travel booking platform, suffered as the emergence of the Omicron variant led to a reinstatement of travel restrictions globally. Similarly, **Hyve**, a global exhibitions company, was weak as investors feared further disruption to future events as a result of Omicron. **Medica**, a teleradiology services provider, derated modestly due to concerns Covid-related disruption would reduce scanning activity in the NHS. **Tyman**, a manufacturer of technical window and door components, saw its shares fall as concerns mounted around its ability to navigate labour shortages and input cost inflation. **Inspired**, a B2B energy and ESG services provider, suffered some short term disruption to its sales pipeline as a result of the exceptional conditions in the UK energy market during the period.

Portfolio Review

The portfolio remained highly focused with a total of 18 holdings and the top 10 accounting for 71% of the NAV at the end of the period. 7% of the NAV was held in cash at the period end.

Over the period positions in Alliance Pharma, Equiniti, Harworth and Proactis were exited. These investments delivered IRRs of 32%, 8%, 18% and -20% respectively over their respective holding periods. The opportunity was taken to realise profits in Alliance Pharma and Harworth on the back of a prolonged period of strong share price performance; both have been successful long term investments for the company. Equiniti and Proactis were both subject to private equity bids in the prior period, and as such both positions were realised as these transactions completed. New investments were initiated in Ricardo, a global strategic environmental and engineering consultancy; River & Mercantile, a UK focused financial services firm which provides asset management and advisory solutions to wholesale and institutional clients; and Nexus Infrastructure, a leading UK provider of infrastructure and engineering services to the housebuilding, transport, and commercial sectors.

Changes in sector weightings over the period have seen exposure to Healthcare decrease from 26.2% to 24.2% following the exit from Alliance Pharma. Technology exposure has also decreased from 10.8% to 8.7% due to the exit from Proactis. Similarly the weighting to Real Estate decreased from 6.8% to 5.6% following the exit from Harworth, whilst Travel & Leisure declined slightly as the sector derated late in the period. Industrial Goods & Services has increased from 6.2% to 9.4% due to new positions being taken in Ricardo and Nexus Infrastructure. Exposure to other sectors, including Financial Services, Media, and Construction & Materials has remained broadly constant.

Top 10 Investee Company Review

(as at 31 December 2021)

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. The company acquired Irish peer Global Diagnostics Ireland, as well as US based imaging contract research business (iCRO) RadMD in 2020 and 2021 respectively, diversifying the business both geographically and in terms of the range of services offered.

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 on going 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 500 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, and 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. The addition of Global Diagnostics Ireland and the US iCRO business RadMD further increase the long term strategic value of the company. In our view Medica offers a combination of high growth and high margin with a capital light operating model that is highly valuable and underappreciated by the market.

Developments in the period

Despite ongoing disruption due to the impact of Covid-19 on the healthcare system, Medica has reported a steady recovery in the scanning activity over the course of 2021. In particular we are encouraged that towards the period end, volumes of both Elective scanning and Nighthawk out-of-hours scanning had recovered to pre-pandemic levels. Although the emergence of the Omicron variant in December did have a negative effect, the company reports that this was much less impactful than previous waves with a swift recovery reported post period end. The company has also made significant progress, with the recent additions of Global Diagnostics Ireland and RadMD both performing well and helping to shape Medica into a more diversified and balanced business. Further, the company's 'FutureTech' programme continues to progress apace, which is expected to deliver material operating efficiencies as well as enabling integration of AI features into the Medica reporting platform. Looking ahead, the cancer screening backlog in the UK is now reaching critical levels, prompting the government to announce £350m funding for 40 nationwide community diagnostic hubs. This will have increase the capacity and accessibility of diagnostic scans, however will not increase the number nor capacity of trained radiologists to interpret these scans; we envisage Medica playing an essential role in helping to fill this gap, and this contributes to our bullish long term outlook for the company. At the company's capital markets day held in September management reiterated their medium term financial targets for the business: 12-14%+ organic revenue growth, 45%+ gross margins, 20%+ operating margins, 80%+ cash conversion and 20%+ ROCE . We continue to view this profile as highly attractive.

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 a broad portfolio of medicines across a range of treatment areas, including oncology.

Thesis

Clinigen is a unique business with a platform than can supply medicines globally, on a licensed and unlicensed basis, into care settings and clinical trials. This platform serves areas of long term structural growth driven by increasingly demand for, and complexity of, healthcare treatments combined with a retrenchment of 'big pharma' from secondary markets and non-blockbuster products. 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. Additionally, a profusion of novel treatments are now being developed by small biotech firms, with limited capabilities beyond drug development, that require specialist service from providers like Clinigen to support molecules through clinical trials and to commercialisation. Given the long term potential and strategic value of this services platform, and the highly cash generative nature of the products portfolio, Clinigen is substantially undervalued on a sum of the parts basis.

Developments in the period

It was an eventful period for the company. As we wrote about previously, the company had issued two profit warnings in the preceding 12 months, driven both by product specific and market-wide issues, the latter largely the result of the Covid pandemic disrupting healthcare systems and in particular cancer diagnoses and treatment pathways. This led to the appointment of a new, experienced chairman and NED early in the period, as well as the departure of the CFO. A strategic review of the business was also initiated, with a broad remit to analyse the capital allocation and divisional focus of the company as well as to assess potential routes to realise shareholder value. In our last Annual Report, published in September, we noted: "*...the company remains heavily discounted on both a headline and a sum of the parts basis... Over the medium term, there are multiple routes available to the Board to realise value, including a strategic reset, a divestment of part(s) of the business, or a sale in whole. There was reported interest from private equity house Advent International in the middle of 2020; this interest is unlikely to have been deterred by the 20% reduction in the share price since that point in time*". In light of this view we added materially to our position over the period, purchasing almost £5m worth of stock . This proved to be prescient with an offer received from Triton Partners, a European private equity firm, late in the period at 883p. This was subsequently raised to 925p post period end, which represented 48% premium to the prevailing share price prior to the approach. Whilst we have some reservations about the valuation achieved (c.12x FY23 EV/EBITDA) this represents a good outcome for our shareholders in the short term.

XPS

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 LSE 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 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 provides further opportunity for XPS to take market share over the medium term, whilst the company's National Pension Trust 'master trust' business offers valuable optionality over the long term.

Developments in the period

The company continues to demonstrate the strength of its business model. Following an exceptional 2020 where XPS grew revenues 6% organically despite the disruption of the pandemic, the company built on this to report 10% organic growth in the six months to September 2021. This was broad based with all three divisions growing revenues on the back of both new client wins and additional project work being undertaken for existing clients. Although the pensions industry is relatively mature, we note the demand for advice remains high, supported by the ever increasing regulatory burden in the sector. Additionally we have been encouraged by the ability of XPS to take share in this market on the back of the company's increasing reputation for innovation and high quality service; XPS was awarded both 'Pensions Actuarial Consulting Firm of the Year' and 'Investment Consulting Firm of the Year' at the UK Pensions Awards. Notably this is leading to an increasingly high quality roster of clients. By way of illustration, in November the company announced that it had been selected by BT Group Plc to support their in-house pensions team and advise on actuarial and investment matters and the ongoing evolution of BT's pensions strategy. BT's pension scheme is one of the largest and highest profile in the UK with 280,000 members and assets of over £50bn. In our view this is a strong endorsement of both the quality of the company and our investment thesis. XPS is likely to be a beneficiary of the disruption this process caused. We continue to view the resilience, quality and long term growth potential of the company as completely at odds with the its current valuation of less than 11x EBITDA and over 4.5% dividend yield.

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 company reported strong trading in its interim results with analysts upgrading expectations again as the large contracts won in late 2020 started to translate into revenues. This contract momentum has continued with further contracts signed in the period with Aberystwyth University and the University of the Creative Arts for the Admissions module on the company's next generation cloud-based Tribal Edge platform. A further cloud-based contract was signed with University College London late in the period. The long term strategic focus of the company remains the development of Tribal Edge which is a multi-year undertaking, with the full benefits to be realised in the years to come. However it is encouraging to see the initial traction that the company is achieving in the market already with the release of the first modules of Tribal Edge. In the first six months to the year this traction enabled the company to grow its run rate Annualised Recurring Revenues (ARR) by 14%, which gives some credence to managements' ambitious strategic objectives to double the ARR over the next 5 years whilst improving EBITDA margins by almost 50%. We are encouraged by the progress made to date and believe significant shareholder value will be created as the company executes on this strategy.

Brooks Macdonald

Description

Is an investment and wealth management services provider. The company provides a range of investment management services and advice to individuals, pension funds, institutions, charities and trusts. It also provides offshore fund management and administration services. The company manages £16.5bn of assets from offices across the UK and the Channel Islands.

Investment Manager’s Report *(continued)*

Thesis

The company has historically had one of the strongest rates of organic growth in its sector given its relationship with independent financial advisers and its large exposure to self invested personal pension schemes. New management have undertaken ‘catch-up’ investment to fit the increased size of the group and are now focusing on growing the group margin and matching the performance of the international business to the successful onshore business. The company is highly cash generative and has a healthy net cash balance. More recently, management have successfully demonstrated the potential of the company to undertake highly accretive acquisitions; Brooks stands to benefit from the ongoing consolidation in the industry as either (or both) an acquirer or a target.

Developments in the period

Brooks Macdonald’s full year results in September showed funds under management had reached record levels of £16.5bn, up 20% on the previous year, driven by strong investment performance, improving organic flows and selective acquisitions. Further, the operating improvements that the management team have put in place over the last few years are now starting to be translated into improving profitability with underlying margins reaching 25.9%, up 4.7%pts year on year. With the operational foundations now in place the business is focused on driving growth; pleasingly this has continued to be delivered with quarter on quarter improvements in net flows being reported over the six months to the end of December; evidencing both the increasing traction of their strategy as well as the supportive backdrop for the wealth management space. With over over £50m net cash on its balance sheet, and with the integration of recent acquisitions now complete, the company is well placed to accelerate its strategy through further acquisitions which we note has been highly accretive in the past. There continues to be significant M&A activity in the space (cf Saunderson House and Charles Stanley) which underpins the strategic value of the company. Neither the improving growth and margin prospects nor the potential for M&A appears to factored into the company’s modest valuation of approximately 10x EBITDA.

Wilmington

Description

Is a B2Bmedia 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

Wilmington had a strong period with the company’s full year results ahead of expectations at every level, leading to mid-single digit upgrades from analysts. This was particularly impressive given there was still substantial disruption to face to face training and events due to the ongoing effects of the pandemic. This illustrates the success the company has in shifting its operating model to online and hybrid delivery formats; a shift which we think improves the long term positioning and growth prospects of the company. Strategic progress was also made with the company increasingly focusing on GRC (Governance, Risk and Compliance) related activities. Late in the period this was reflected in the disposal of the AMT Financial Training division for £23.4m, leaving the company with a net cash position of £11m going into 2022. As face to face events return we see the prospect of further upgrades over the next six months, with the additional prospect of a return to selective M&A having the potential to accelerate the company’s strategic journey. In our view the company’s modest valuation does not reflect the substantial strategic and financial progress that Wilmington has made over the last three years, nor the opportunity for organic and acquisitive growth that exists in the GRC space over the medium term.

Inspired (formerly Inspired Energy)

Description

Is a leading UK B2B corporate energy and ESG 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 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. Although the company's revenues were depressed due to lower corporate energy usage over lockdowns, there is significant opportunity for a rebound in revenues, and in the share price, when there is a return to a more normalised environment. Over the medium term there are strategically attractive opportunities, both organic and inorganic, to gain market share and broaden the range of services offered, particularly in ESG-related areas.

Developments in the period

Full year results, reported post period end, were in line with expectations despite a number of short term headwinds. Firstly, ongoing Covid restrictions over the period continue to weigh on corporate energy usage, which has a knock on effect on the financial performance of the company. Corporate energy consumption has now largely returned to pre-pandemic levels, and as such this drag on performance is likely to unwind into 2022. Secondly, extreme conditions in wholesale energy markets impacted the timing of renewals and new customer wins. Over the medium term however, we believe that conditions only serve to emphasise the value of Inspired's proposition, namely helping corporate clients optimise their energy usage, procurement and hedging requirements. Within this market context we view the 7% increase in the order book as being a creditable performance and boding well for the outlook into 2022. Recent acquisitions, Businesswise and GEM, were also successfully integrated in the period, adding to the company's market leading position in its core energy assurance services space. At a strategic level, the recently launched ESG consultancy and data measurement services started to gain traction with £1m of revenue delivered over the course of the year. We are encouraged by the operational performance the company to date and look forward to more benign trading conditions, and further strategic progress, in 2022.

LSL Property Services

Description

Is a market leading UK provider of predominantly B2B services to the real estate sector. The company operates across three divisions: in financial services LSL provides compliance services, product access and software to mortgage brokers via its Primus mortgage network; in surveying LSL provides residential property surveys primarily to financial institutions; in estate agency LSL owns and franchises a number of estate agency brands including Marsh and Parsons, Your Move, Reeds Rain and LSLi.

Thesis

The investment thesis is predicated on a strategic shift away from the more cyclical real estate agency segment, which had historically been a focus, to the market leading financial services segment which is an asset light, high quality of earnings, high margin business. This has potential to achieve a step change in organic growth, improve return on capital, and generate significant shareholder value. This strategy, which has been in place since the appointment of David Stewart as CEO in May 2020, is already starting to bear fruit with a number of divestments and strategic deals struck over the course of 2021. Given the quality and growth potential of the financial services division, the company is significantly undervalued on a sum of the parts basis.

Developments in the period

2021 was a landmark year for the company with revenue up 23% and underlying operating profit reaching record levels, driven by both the buoyant property market following the relaxation of Covid restrictions early in the period, as well as a strong performance by the business. Although the property market has cooled somewhat in recent months, the company continues to report trading in line with expectations. To put the cooling market in context, going into 2022 the Estate Agency division has a pipeline that is 7% below the record levels reported a year ago. Offsetting this, the Financial Services division, where we see the most value in the company, grew the number of financial advisors it served by over 10%. Further, and as noted in previous reports, our thesis is based on the long term strategic plan laid out by management rather than any short term gyrations in the property market. As such we view the progress made over the period positively, including the sale of its non-core minority stake in TM Group for £29.3m, and the first acquisition by the company's Pivotal Growth JV with Pollen Street Capital. This builds on the acquisitions of Mortgage Gym and Direct Life Quote Holdings, and the strategic agreement with The Property

Investment Manager's Report *(continued)*

Franchise Group, sealed in the first half of the year. The company enters 2022 with a net cash position of £48.5m which gives it significant financial flexibility to accelerate its strategy through both organic investment and further acquisitions. The company trades at below 6x FY22 EV/EBITDA which in our view is simply too cheap for a growing business with a net cash balance sheet and 15% operating margins that generates a 20%+ return on capital employed.

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 period has been one of consolidation for Tyman following an exceptionally strong operational performance over the preceding 12 months. Although positive trading momentum continued into the second half of the year, the company's performance was constrained by the widely publicised supply chain challenges. These include global freight disruption and shortages of raw materials and skilled labour. The impact of these has been to drive up the costs of production for Tyman, as well as to limit the ability of the company to capitalise completely on the very strong demand it is seeing from customers. In this context the company's performance to date is impressive with like-for-like revenue growth of 19% vs 2020 (8% vs 2019) being delivered in the 10 months to October. The company has maintained guidance for the year despite the disruption caused. We believe this illustrates the substantial operational progress that has been made over the last two years, and underlines the quality of the company. We are this period of disruption will provide an opportunity for Tyman to continue to take market share and position itself to capitalise on the buoyant demand that it is seeing in its end markets.

Fintel (formerly SimplyBiz)

Description

Is a leading provider of essential support services, software and data to professional financial advisers, financial intermediaries and product providers. It serves over 5,600 intermediary firms and more than 350 financial institutions in the UK. Since its inception in 2002 the group has expanded rapidly via a combination of organic growth and bolt-on acquisitions, the most recent of which was the 2019 transformational strategic acquisition of Defaqto.

Thesis

Fintel is a market leader in the structurally growing IFA market. Its services deliver the benefits of scale to the long tail of IFAs that want to remain independent, and to product providers that want to target distribution into this segment. The company has the opportunity to grow earnings materially through adding member firms, cross / upselling technology and data services to enable digitisation of the IFA channel, and enhancing services provision to the product provider segment. The company's medium term financial targets are for 5-7% organic revenue growth per year, 35-40% EBITDA margins and recurring revenues of 70-80% of total revenues. Successful execution of this strategy will improve quality of earnings substantially and create a highly valuable strategically asset.

Developments in the period

The company traded strongly over the period, and in line with market expectations. In particular, core revenue growth accelerated in the second half to end the year up 5%, in line with the company's target, with Saas and subscription revenues growing across all three operating divisions. This was driven by a number of strategic client wins for Fintel's new managed 'Distribution as a Service' solution, including blue chips such as Schroders, Aviva, Tatton Asset Management and Premier Miton. Successful delivery of such solutions, which are based on Fintel's proprietary data and technology, and are sold as multi-year subscriptions, is key in delivery of the company's medium term strategic and financial ambitions; we are therefore highly encouraged by recent developments. The other key news in the period was the disposal of non-core businesses Zest Technology (an employee benefits platform) and Verbatim (a fund management business) which were sold for up to £15.8m, leaving the company with a net cash balance sheet, and substantial financial flexibility, at the period end.

Outlook

Despite strong initial indications of its mild nature from South Africa, many countries responded with a return of restrictions from now well worn public policy Covid playbooks. It is increasingly becoming apparent that these are neither effective nor required and we were encouraged by UK government's decision to test this theory by resisting the imposition of strict restrictions to activity or movement. To date this decision appears to have been entirely vindicated. The successful vaccine roll out, infection-acquired immunity and the evolution of the virus to a more mild strain have all combined to thankfully limit the impact of Omicron to well below that of previous waves despite high case numbers. With this experience being mirrored across other countries around the world, we are hopeful that 2022 will see a return to a more normalised environment, although there is some way to go yet before this is fully realised.

Whilst we expect Covid related disruption to wane over the course of 2022, it is becoming increasingly clear that inflationary pressures will continue to persist for some time. Supply side disruption – both in terms of labour and supplies – will continue to create operational challenges across a range of sectors. Having said this, the longer-term outlook remains positive. Business and consumer confidence continue to recover as the world emerges from the pandemic and strong demand-side drivers support robust economic projections into 2022 and beyond. Taken in aggregate we believe this is an attractive environment to invest; whilst on-going uncertainty can be challenging, it also provides the opportunity to unearth good long-term investment at attractive valuations.

At a portfolio level, we have limited exposure to companies that are directly impacted by the issues noted; a direct output of our highly selective, quality-focused investment approach. Second and third order effects – of both the pandemic, and of an inflationary environment – can be difficult to predict. However we believe agile smaller businesses with strong management teams will have the opportunity to take market share and build strong long-term franchises. We continue to believe that our fundamental focused investment style has the potential to outperform over the long term. The Fund will maintain its focus on building a high conviction portfolio of less cyclical, high quality, niche growth businesses which we believe can deliver strong returns through the market cycle regardless of the performance of the wider economy.

Ken Wotton
Gresham House Asset Management

24 March 2022

Portfolio as at 31 December 2021

Company	Sector Classification	Date of first Investment	Cost £'000	Valuation £'000	% of invested portfolio at 31 December 2021	% of invested portfolio at 30 June 2021	% of net assets
Medica	Healthcare	Mar 2017	19,120	23,428	11.2	11.6	10.4
Clinigen	Healthcare	Jul 2014	15,660	22,562	10.8	7.7	10.0
XPS	Financial Services	Jul 2019	16,851	20,425	9.8	9.2	9.1
Tribal	Technology	Dec 2014	11,742	16,786	8.0	7.8	7.5
Brooks Macdonald	Financial Services	Jun 2016	9,810	14,236	6.8	5.0	6.3
Wilmington	Media	Oct 2010	13,068	14,063	6.7	6.3	6.3
LSL Property Services	Real Estate	Mar 2021	13,256	12,659	6.1	4.8	5.6
Inspired	Industrial Goods & Services	Jul 2020	9,383	12,398	5.9	6.3	5.5
Tyman	Construction & Materials	Apr 2007	7,318	12,335	5.9	6.1	5.5
Fintel	Financial Services	Oct 2020	8,573	10,758	5.2	5.1	4.8
Ten Entertainment	Travel & Leisure	Oct 2020	6,372	8,697	4.2	3.8	3.9
Benchmark	Healthcare	Jun 2019	6,733	8,633	4.1	4.5	3.8
Hyve	Media	May 2020	7,650	7,668	3.7	4.4	3.4
River & Mercantile	Financial Services	Sep 2021	4,547	6,372	3.1	–	2.8
Hostelworld	Travel & Leisure	Oct 2019	9,137	6,244	3.0	4.5	2.8
Ricardo	Industrial Goods & Services	Sep 2021	4,360	4,602	2.2	–	2.1
Nexus Infrastucture	Industrial Goods & Services	Jul 2021	4,174	4,065	2.0	–	1.8
Idox	Technology	Mar 2021	2,487	2,777	1.3	1.2	1.2
Total investments				**208,708**			**92.8**
Cash				16,455			7.3
Net current liabilities				(339)			(0.1)
Total shareholders' funds				**224,824**			**100.0**

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

Statement of Directors' Reponsibilities

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 IAS 34, 'Interim Financial Reporting', and give 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 24 March 2022 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 21 and 22 of the Annual Report for the year ended 30 June 2021, which is available at www.strategicequitycapital.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, Juniper Partners 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 2021

	Note	Six month period to 31 December 2021 unaudited			Year ended 30 June 2021 audited			Six month period to 31 December 2020 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
Investments										
Gains on investments held at fair value through profit or loss	6	**–**	**3,187**	**3,187**	–	69,767	69,767	–	27,078	27,078
		–	**3,187**	**3,187**	–	69,767	69,767	–	27,078	27,078
Income										
Dividends	2	**2,221**	**–**	**2,221**	2,382	–	2,382	1,102	–	1,102
Interest	2	**–**	**–**	**–**	1	–	1	1	–	1
Total income		**2,221**	**–**	**2,221**	2,383	–	2,383	1,103	–	1,103
Expenses										
Investment Manager's fee	8	**(831)**	**–**	**(831)**	(894)	–	(894)	(140)	–	(140)
Investment Manager's performance fee	9	**–**	**–**	**–**	–	–	–	–	(327)	(327)
Other expenses	3	**(309)**	**–**	**(309)**	(643)	–	(643)	(299)	–	(299)
Total expenses		**(1,140)**	**–**	**(1,140)**	(1,537)	–	(1,537)	(439)	(327)	(766)
Net return before taxation		**1,081**	**3,187**	**4,268**	846	69,767	70,613	664	26,751	27,415
Taxation		**–**	**–**	**–**	–	–	–	–	–	–
Net return and total comprehensive income for the period		**1,081**	**3,187**	**4,268**	846	69,767	70,613	664	26,751	27,415
		pence	**pence**	**pence**	pence	pence	pence	pence	pence	pence
Return per Ordinary share	5	**1.71**	**5.03**	**6.74**	1.34	110.22	111.56	1.05	42.26	43.31

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 24 to 28 form an integral part of these Half-Yearly financial statements.

Statement of Changes in Equity

for the six month period to 31 December 2021

	Note	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
For the six month period to 31 December 2021 unaudited								
1 July 2021		**6,986**	**31,737**	**24,567**	**154,126**	**2,264**	**1,889**	**221,569**
Net return and total comprehensive income for the period		**–**	**–**	**–**	**3,187**	**–**	**1,081**	**4,268**
Dividend paid	4	**–**	**–**	**–**	**–**	**–**	**(1,013)**	**(1,013)**
31 December 2021		**6,986**	**31,737**	**24,567**	**157,313**	**2,264**	**1,957**	**224,824**
For the year to 30 June 2021 audited								
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 year		–	–	–	69,767	–	846	70,613
Dividend paid	4	–	–	–	–	–	(791)	(791)
30 June 2021		6,986	31,737	24,567	154,126	2,264	1,889	221,569
For the six month period to 31 December 2020 unaudited								
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)
31 December 2020		6,986	31,737	24,567	111,110	2,264	1,707	178,371

The notes on pages 24 to 28 form an integral part of these Half-Yearly financial statements.

Balance Sheet
as at 31 December 2021

	Note	As at 31 December 2021 unaudited £'000	As at 30 June 2021 audited £'000	As at 31 December 2020 unaudited £'000
Non-current assets				
Investments held at fair value through profit or loss	6	**208,708**	215,756	165,108
Current assets				
Trade and other receivables		**211**	423	69
Cash and cash equivalents		**16,455**	7,580	13,777
		16,666	8,003	13,846
Total assets		**225,374**	223,759	178,954
Current liabilities				
Trade and other payables		**(550)**	(2,190)	(583)
Net assets		**224,824**	221,569	178,371
Capital and reserves				
Share capital		**6,986**	6,986	6,986
Share premium account		**31,737**	31,737	31,737
Special reserve		**24,567**	24,567	24,567
Capital reserve		**157,313**	154,126	111,110
Capital redemption reserve		**2,264**	2,264	2,264
Revenue reserve		**1,957**	1,889	1,707
Total shareholders' equity		**224,824**	221,569	178,371
		pence	pence	pence
Net asset value per share		**355.19**	350.05	281.80
		number	number	number
Ordinary shares in issue	7	**63,296,844**	63,296,844	63,296,844

The notes on pages 24 to 28 form an integral part of these Half-Yearly financial statements.

Statement of Cash Flows
for the six month period to 31 December 2021

	Six month period to 31 December 2021 unaudited £'000	Year ended 30 June 2021 audited £'000	Six month period to 31 December 2020 unaudited £'000
Operating activities			
Net return before taxation	**4,268**	70,613	27,415
Adjustment for gains on investments	**(3,187)**	(69,767)	(27,078)
Operating cash flows before movements in working capital	**1,081**	846	337
Decrease/(increase) in receivables	**212**	(368)	(15)
Increase in payables	**26**	366	425
Purchases of portfolio investments	**(26,352)**	(61,324)	(29,971)
Sales of portfolio investments	**34,921**	54,950	29,891
Net cash flow from operating activities	**9,888**	(5,530)	667
Financing activities			
Equity dividend paid	**(1,013)**	(791)	(791)
Net cash flow from financing activities	**(1,013)**	(791)	(791)
Increase/(decrease) in cash and cash equivalents for period	**8,875**	(6,321)	(124)
Cash and cash equivalents at start of period	**7,580**	13,901	13,901
Cash and cash equivalents at end of the period	**16,455**	7,580	13,777

The notes on pages 24 to 28 form an integral part of these Half-Yearly financial statements.

Notes to the Financial Statements

for the six month period to 31 December 2021

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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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 2021, which have been prepared in accordance with IFRS. 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 2021 and 31 December 2020 have not been either audited or reviewed by the Company's Auditor. Information for the year ended 30 June 2021 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 2021.

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 2021, had no significant effect on the accounting or reporting of the Company.

2. Income

	Six month period to 31 December 2021 unaudited £'000	Year ended 30 June 2021 audited £'000	Six month period to 31 December 2020 unaudited £'000
Income from investments			
UK dividend income	**2,221**	2,382	1,102
Other operating income			
Liquidity interest	**–**	1	1
Total income	**2,221**	2,383	1,103

3. Other expenses

	Six month period to 31 December 2021 unaudited £'000	Year ended 30 June 2021 audited £'000	Six month period to 31 December 2020 unaudited £'000
Secretarial services	**77**	148	74
Auditors' remuneration for:			
Audit services	**21**	35	21
Directors' remuneration	**65**	135	71
Other expenses	**146**	325	133
	309	643	299

4. Dividend

The Company paid a final dividend of 1.60p in respect of the year ended 30 June 2021 (30 June 2020: 1.25p) per Ordinary share on 63,296,844 (30 June 2020: 63,296,844) shares, amounting to £1,012,750 (30 June 2020: £791,211). The dividend was paid on 17 November 2021 to Shareholders on the register at 15 October 2021. 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 2021			Year ended 30 June 2021			Six month period to 31 December 2020		
	Revenue return pence	**Capital return pence**	**Total pence**	Revenue return pence	Capital return pence	Total pence	Revenue return pence	Capital return pence	Total pence
Return per Ordinary share	**1.71**	**5.03**	**6.74**	1.34	110.22	111.56	1.05	42.26	43.31

Returns per Ordinary share are calculated based on 63,296,844 (30 June 2021: 63,296,844 and 31 December 2020: 63,296,844) being the weighted average number of Ordinary shares, excluding shares held in treasury, in issue throughout the period.

6. Investments

	31 December 2021 £'000
Investment portfolio summary	
Quoted investments at fair value through profit or loss	**208,708**

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 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	**Total £'000**
Equity investments	208,708	–	–	**208,708**
Liquidity funds	–	2,457	–	**2,457**
Total	208,708	2,457	–	**211,165**

6. Investments *(continued)*

A list of the portfolio holdings is given in the Investment Manager's Report on page 18.

	31 December 2021 Total £'000
Analysis of capital gains:	
Gains on sale of investments	2,443
Movement in investment holding gains	744
	3,187

7. Share capital

	Number	31 December 2021 £'000
Allotted, called up and fully paid Ordinary shares of 10p each:		
Ordinary shares in circulation at 30 June 2021	69,858,891	6,986
Shares held in treasury at 30 June 2021	(6,562,047)	(656)
Ordinary shares in issue per Balance Sheet at 30 June 2021	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 2021	63,296,844	6,330
Shares held in treasury at 31 December 2021	6,562,047	656
Ordinary shares in circulation at 31 December 2021	69,858,891	6,986

During the period to 31 December 2021 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.

The Investment Manager is also entitled to a performance fee, details of which are set out on the following page.

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 £nil has been accrued in respect of the six months ended 31 December 2021 (30 June 2021: £nil; 31 December 2020: £327,000).

10. Taxation

The tax charge for the half year is £nil (30 June 2021: £nil; 31 December 2020: £nil). The estimated effective corporation tax rate for the year ended 30 June 2022 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 2021 was £831,000 (30 June 2021: £894,000; 31 December 2020: £140,000), of which £413,000 (30 June 2021: £403,000; 31 December 2020: £140,000) was outstanding at 31 December 2021. The amount due to the Investment Manager for performance fees at 31 December 2021 was £nil (30 June 2021: £nil; 31 December 2020: £327,000).

Directors and Advisers

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Richard Locke (Deputy Chairman)
Annie Coleman
William Barlow
Josephine Dixon

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Depositary

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Company Secretary and Administrator

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Tel: 0131 378 0500

Registered Office

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London EC2M 7SH

Shareholder Information

Financial calendar

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

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 29.

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

An investment company as defined under Section 833 of the Companies Act 2006
REGISTERED IN ENGLAND AND WALES No. 5448627

A member of the Association of Investment Companies

STRATEGIC EQUITY CAPITAL PLC

www.strategicequitycapital.com