

## Test Case!

26 July 2021

Countries that last year avoided the worst hits from Covid-19 are seeing an alarming rise in case numbers. The risks and opportunities this creates for investors are reflected in this month's report.

*This report casts an eye over the trusts that make up the 10-stock portfolio selected by my value and momentum ranked investment trust screen. These stocks fit with specific rules (below) that ensure a degree of diversity in the selection of trusts but still allow distinct investment themes to emerge. And while this screen, like almost all screens run by the Investors' Chronicle, is considered a source of ideas for further research rather than an off-the-shelf portfolio, a back test over the last 17 years suggests trusts it picks collectively deliver strong performance.*

### Highlights this month:

- The Alpha IT Report has produced good results in its first year of publication, which has provided readers with 10 portfolios of 10 trust ideas each.
- The strategy's long-term record since mid-2004 boasts a near 10-fold return.
- It's been a rocky month for markets as Covid cases rise, particularly in the Asia Pacific region. This month's report is seeking to profit by targeting some trusts which have seen discounts widen.
- The report will have its summer holiday next month and will be back in September

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## Tougher times

Having started 2021 in jubilant form, markets seem to be finding it ever harder to make headway. Market leadership has flip-flopped between themes, such as value and growth, with little real commitment. Meanwhile, nervousness is increasing that the Delta variant of Covid-19 may start to run amok in countries that dealt with the virus well last year.

The concern about the spread of the Delta variant was a major issue for one of the themes that emerged in last month's report: trusts focused on Vietnam. With Covid cases in the country rapidly increasing, the domestic stock market has fallen. That weighed on the overall performance of last month's ten stock picks with the selection underperforming the MSCI World index, although the portfolio did outperform the FTSE All Share.

A factor in the strength of the MSCI World index against last month's picks was a fairly noteworthy weakening of sterling against the dollar. This may reflect nervousness about rising Covid-19 cases in the UK. The relative strength of the MSCI World means a number of the UK-focused reports from earlier in the year are also now underperforming that index..

Still, all the 10 trust selections continue to outperform the FTSE All Share. And with this report having now run for a full year, the overall results from the trusts highlighted appear to be pretty good in general. Full details of how all the 100 trust picks over the last year have performed can be found at the end of this report and the summary data can be seen in the tables below.

20-Jul-20		11-Sep-20	
Name	Total Return	Name	Total Return
Alpha ITs	43.3%	Alpha ITs	37.2%
MSCI World	23.4%	MSCI World	21.5%
FTSE All Share	19.0%	FTSE All Share	21.5%

19-Oct-20		16-Nov-20	
Name	Total Return	Name	Total Return
Alpha ITs	31.0%	Alpha ITs	20.8%
MSCI World	20.7%	MSCI World	15.4%
FTSE All Share	23.3%	FTSE All Share	12.5%
25-Jan-21		22-Feb-21	
Name	Total Return	Name	Total Return
Alpha ITs	10.1%	Alpha ITs	12.6%
MSCI World	3.0%	MSCI World	12.6%
FTSE All Share	8.2%	FTSE All Share	7.7%
29-Mar-21		27-Apr-21	
Name	Total Return	Name	Total Return
Alpha ITs	10.1%	Alpha ITs	3.5%
MSCI World	9.2%	MSCI World	4.9%
FTSE All Share	4.9%	FTSE All Share	1.2%
24-May-21		28-Jun-21	
Name	Total Return	Name	Total Return
Alpha ITs	4.1%	Alpha ITs	3.5%
MSCI World	5.9%	MSCI World	4.9%
FTSE All Share	-0.4%	FTSE All Share	1.2%

source: Thomson Datastream

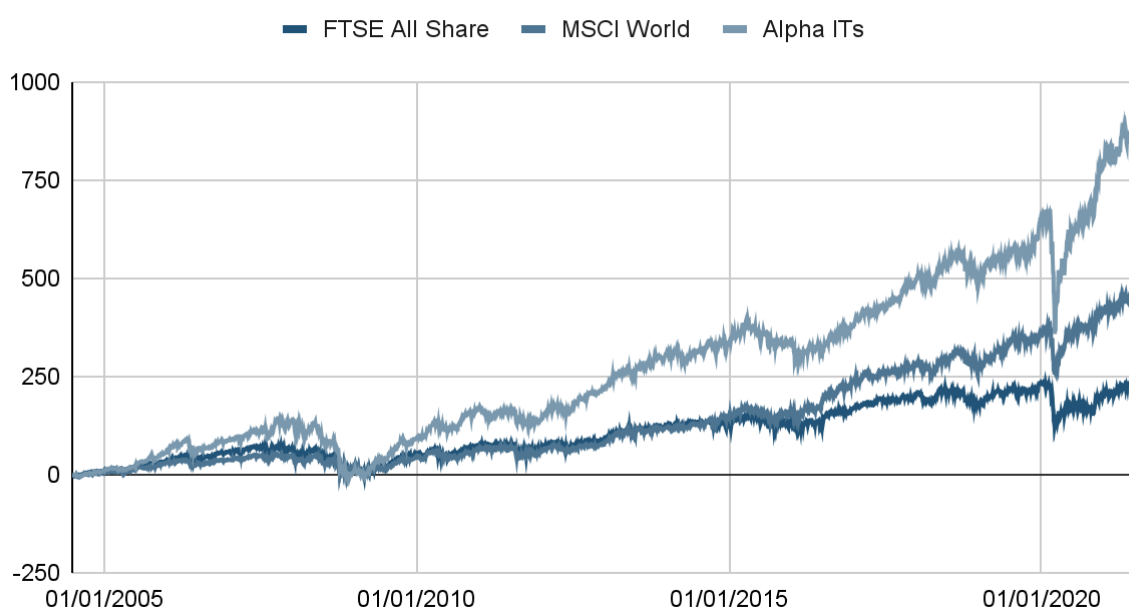
As a recap for anyone new to this monthly report, its main aim is to provide investment ideas for readers to consider on their individual merits rather than off-the-shelf portfolios. The strategy used by the Alpha IT reports should also be considered fallible despite the strong showing since launch. The strategy can sometimes come a cropper and discount widening is always a danger when investing in trusts. I can provide these warnings with confidence because I have data from mid-2004 to show how the strategy has historically performed. It has had bad patches.

Fortunately, my data also suggests that while the Alpha strategy does sometimes have hiccups, overall it produces much more value from good calls than it loses from bad ones.

Over the last 17 years, the cumulative total return stands at 878 per cent based on mid-year reshuffles. That compares with 483 per cent from the MSCI World index and 229 per cent from the FTSE All Share. These performance numbers do lack some realism, though, as they do not account for dealing charges

associated with the reshuffles. If I factor in a notional 1.5 per cent annual charge to represent dealing costs, the total return drops to 645 per cent.

## Alpha ITs long-term performance



source: Thomson Datastream

## Screening rules

The central idea behind the Alpha strategy is to look for trusts displaying an advantageous mix of value and momentum.

To fairly compare investment trusts with different remits and capital structures, the screen assesses trusts' value relative to their one-year average premium/discount.

This is done using a standardised measure called the Z-score (the number of "standard deviations" the premium/discount is from the mean average). A Z-score can be considered to be pretty cheap when it gets below -1 (the bottom 16 per cent of the range) and extremely cheap at or below -2 (the bottom 2.5 per cent).

Three-month share price momentum is used as an indicator of sentiment towards trusts and their recent investment success.

The tables at the end of this report show the top 25 investment trusts based on a combined ranking of Z-score and momentum. The 10 stock portfolio, which is

what this report focuses on, represents the highest ranking trusts that meet the following portfolio rules:

- Market capitalisation must be more than £100m.
- No tracker or hedge funds.
- No more than half the portfolio (five out of 10 shares) should have “niche” themes, and no more than two trusts should have the same niche. Trusts defined as niche are those focused on non-mainstream asset classes or sub-sectors, such as private equity, debt, technology and biotechnology; and those focused on single countries (excluding the UK and US) or high-risk economic regions such as emerging markets. I also regard trusts targeting smaller Asian companies as niche, but not generalist Asian equity trusts.
- No more than half the portfolio (five out of 10 shares) should be mainstream trusts of the same type. This rule does not apply to global funds, but it does to other mainstream themes such as trusts investing in the UK (large and small companies), Europe, the US or Asia.
- All trusts must trade at a discount to NAV.

## More Covid Cases!

### APOLOGY IN ADVANCE!

Markets don't care about our sensibilities. That means writing about investment opportunities in association with a deadly pandemic necessarily borders on the distasteful!

Apologies for any unintended offence in advance.

In last month's report, I waxed on about the many positive economic developments underway in Vietnam. However, the most noteworthy development in the intervening weeks has been anything but positive. This time last month, having dealt incredibly effectively with Covid-19 in 2020, the country was reporting new cases at 300 a day. Now things look very different with 7,000 new cases a day and a seven-day average standing at about 5,000.

This alarming development means the two Vietnam picks from last month have performed pretty badly. **Vietnam Enterprise Investments** (VEIL) has experienced a negative total return of 3.6 per cent while **Vietnam Holdings** (VNH) is off 4.8 per cent. But with wide discounts and strong three-month performance records, the report is doubling down these two bets this month.

The experience in Vietnam highlights two broader trends. Firstly, countries in Asia, many of which generally dealt well with the pandemic last year, are now facing a worrying rise in case numbers. Of particular note are Indonesia, where the new-case seven-day average has risen from about 10,000 to 45,000 over the last month, and Thailand where cases are up from about 3,000 to 12,000.

In recent days, though, there has been a dip in reported cases in Indonesia which many regard as the Asian epicentre for the recent Delta outbreak. We should all keep our fingers crossed. India's experience with the variant, which surfaced in the country, proved to be a very sharp but relatively short lived spike.

The other trend highlighted by Vietnam's stock market jitters in response to the rise in case numbers is that countries with low levels of vaccination are now viewed as especially vulnerable to new variants. Vietnam only has about 4 per cent of its population either partially or fully vaccinated. For Indonesia that percentage is 16 per cent and Thailand is also at about the 16 per cent mark.

Even the rich, large countries in the Asia Pacific region seem to be well behind the West in their vaccination programmes. For example, Japan has just 35 per cent of its population either partially or fully vaccinated, while the figure for Malaysia is 34 per cent and 33 per cent for South Korea.

Meanwhile, India, a country which features in this report and did not deal well with its Delta variant spike in May, has 24 per cent of its population with some level of vaccination.

## **Do vaccines work?**

The vaccination question looks particularly pertinent at the moment because our country, the UK, appears to be undertaking an experiment to see how safe a well-vaccinated population really is when it tries to live with a new variant of the virus.

The UK has pushed ahead with opening up despite rising case numbers. In fact, very recently the trend in new cases appears to have headed quite sharply south - again, fingers crossed. There is the possibility the Euro football festivities caused a temporary jump in case numbers obscuring the course of an ongoing rise.

The increase in new cases has gone from about 2,000 a day during the spring trough to a seven-day average of about 46,000. That's not far off the UK's winter peak of 60,000 and the daily peak that was hit in mid-July.

The test being carried out by the UK is tactically timed. Both summer weather and the end of the school year should ease the spread. Still, the big question is what comes next in the country's hospitals..

If hospitalisation and excess deaths remain relatively muted due to the vaccine, this will be seen as a major step forward for both the country and the world. While new variants of Covid-19 will emerge, policy makers would be able to have confidence in our ability to live with the virus. That would be extremely good news for everyone, but the most immediate beneficiaries would be those countries that already have high vaccination rates.

From that perspective, a number of picks from this month's screen can be viewed as playing the long-game. That's because several of the trusts highlighted focus on areas where vaccine penetration is low. From an investment perspective, there should be a lot to gain as vaccines are rolled out in these areas but there is also the risk that things will get worse before they get better.

The two Vietnam specialists in particular seem to fall into this category.

Other trusts highlighted this month focus on areas where vaccine rollout has been strong, such as North America, the UK and continental Europe, but invest in risky asset classes, such as smaller companies and private equity.

A number of the trusts highlighted by this month's report focus on quality, growth investing. These trusts may benefit from a recent decline in bond yields which is often viewed as benefiting growth stocks because it allows a higher value to be placed on future earnings.

In all, though, this month's trust selection is an eclectic and interesting bunch. That said, there are not very many new ideas. Eight of the ten picks have featured in recent reports and for seven of these I'll provide a short line or two, any relevant updates and a link to more substantive recent coverage.

With one of the trusts that is a repeat pick, **Caledonia Investments** (CLDN), I think it is worth taking a deeper dive into its portfolio. It's private equity holdings look particularly interesting because the next valuation update could see a decent step up in NAV.

As always, I'll give a proper run down on all the trusts that are new to the report which are **Ashoka India Equity** (AIE) and **Montanara European Smaller Companies** (MTE)..

I'm also providing a bonus write up of **Manchester & London** (MNL). It is one of the trusts in the top 25 picks but which falls outside the 10 stock portfolio the report focuses on. It is an extremely quirky trust. It looks like a fun place to start, although the trust may be a bit too weird and not wonderful enough for many readers' tastes.

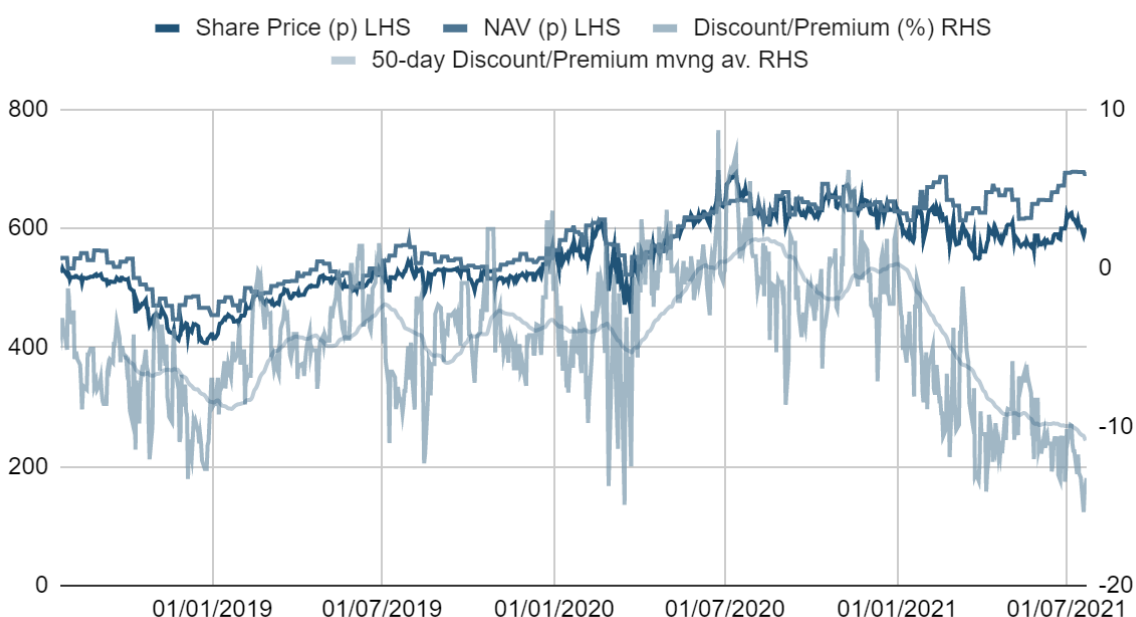
## \*\*\* BONUS TRUST \*\*\*

### Manchester & London (MNL)

Name	TIDM	Mkt Cap	Price	DY	Gearing
Manchester & London	MNL	£243m	600p	-%	6%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-1.2	-13.50%	-5.50%	6.20%	-43.40%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
2.70%	2.70%	-4.90%	-6.70%	23.20%	148.00%
Top Ten Holdings					
Name	% Port				
Alphabet Inc Class C	19.9				
Microsoft Corp	18.6				
Amazon.com Inc	18.1				
Facebook Inc A	10.5				
Adobe Inc	10.3				
Alibaba Group Holding Ltd	9.8				
Tencent Holdings Ltd	8.7				
Salesforce.com Inc	7				
Netflix Inc	6.2				
ASML Holding NV	5.3				
Total	114				
source: Winterflood/Morningstar					



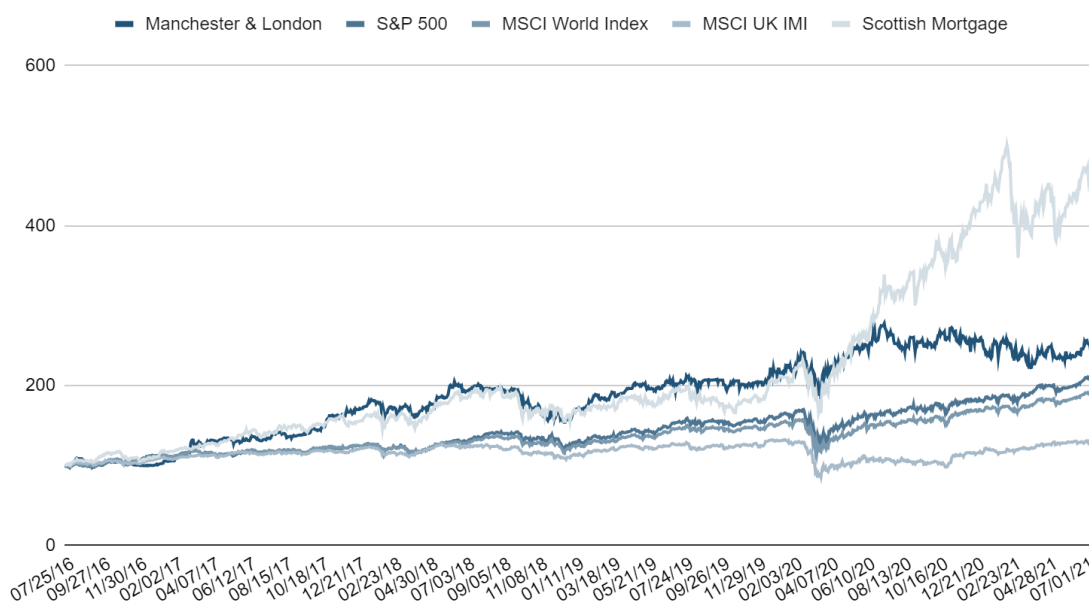
## 3 Year Record



Source: Winterflood, Morningstar

Mid-way through the last decade **Manchester & London** (MNL) went through an overhaul of its portfolio and investment approach. After a protracted spell of dismal performance the trust jumped on the tech band wagon and shot the lights out. Its high-octane portfolio of mega cap stocks quickly won it plaudits and a reputation as something of a poor man's Scottish Mortgage. But things appear to have started to go very wrong over the last 12 months. With the underperformance has come a significant widening of the discount.

## Manchester & London, what went wrong?



Source: Datastream

The trust's many peculiarities will have added to investors' concerns. So too will a scathing research note published by Investec in March.

One of the first things of note about the trust is that over half the shares are held by the family of one of the managers, Mark Sheppard. This creates a clear governance issue as it makes it harder for the board to keep check on the manager's investment process.

The process is one that it seems needs keeping an eye on. There is significant use made of CFDs, options and hedging strategies. The effect of this can be seen in the list of top ten holdings above which together account for over 100 per cent of net assets.

Use of exotic financial instruments may also be behind the disappointing performance over the last year.

Investec calculates that based on the performance of investments accounting for 84 per cent of the portfolio, the total return in the period from the end of January 2020 to 16 March 2021 should have been 32 per cent. However the NAV total return of the trust over that period was just 8.4 per cent. The broker has also questioned whether trying to find an edge in highly-researched mega caps whilst also running an options strategy is too much for the trust's two person investment team.

The trust's benchmark, which is the MSCI UK IMI index, is also a real head scratcher. The trust barely invests in the UK. Performance against this

benchmark has a bearing on fees all the same, with a 0.25 per cent bump on top of the 0.5 per cent base fee for outperformance and a 0.25 per cent penalty for underperformance.

Manchester & London looks a genuinely weird fund and there is limited explanation of how hedges and options are used or why they may have detracted so much from performance - if that is even the case? But while investors appeared happy to go along with this when NAV was romping upwards, it appears many have recently been heading for the door.

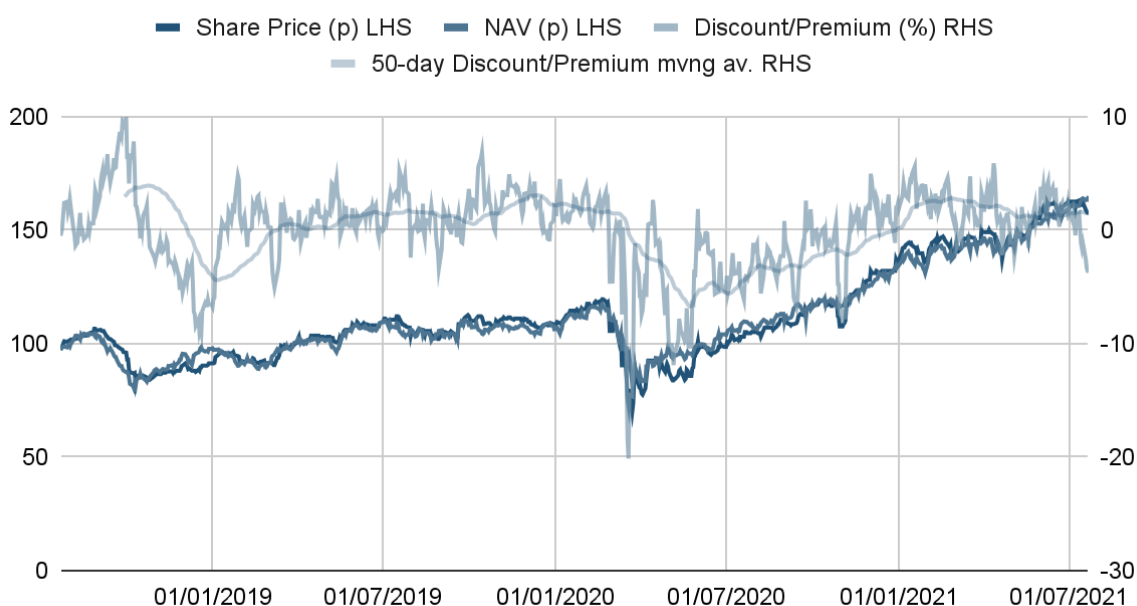
Some encouragement can be taken from the fact that over the last few months NAV performance appears to have stepped up a bit, although the continued widening of the discount has kept some of the shine off the share price performance. A return to form could see the discount narrow, but it may take some time for investors to get over the past year and switch their focus away from the trust's peculiarities.

## Ashoka India Equity

Name	TIDM	Mkt Cap	Price	DY	Gearing
Ashoka India Equity	AIE	£137m	159p	-	-
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-1.4	-3.40%	0.50%	5.90%	-7.80%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
-0.30%	14.00%	13.80%	51.40%	63.10%	-
Top Ten Holdings					
Name	% Port				
Infosys Ltd	5.4				
ICICI Bank Ltd	5.2				
Axis Bank Ltd	4.6				
Coforge Ltd Shs Dematerialised	4				
Laxmi Organic Industries Ltd	3.7				
Nestle India Ltd Shs	3.6				

Dematerialised					
Bajaj Finserv Ltd	3.6				
HDFC Bank Ltd	3.6				
Intellect Design Arena Ltd	3.4				
Cholamandalam Investment and Finance Co Ltd	2.8				
Total	40				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

What should you pay for the best? In the case of **Ashoka Indian Equity (AIE)**, the answer seems to be a heck of a lot. Kepler Trust Intelligence estimates the 2020 charge for the fund at 5.4 per cent. While the expense is reflected in reported NAV performance, for the trust, the majority bill for the last three years has only just come due.

That is because the trust's manager's pay is based entirely on its ability to outperform the MSCI India IMI index over three years. And the first three year period from the 30 June 2018 IPO has just finished.

The manager bags a hearty 30 per cent of the trust's outperformance of the index to a maximum of 12 per cent. On top of this are the trust's running costs.

The fact that the manager is being paid in the trust's shares may have created some nervousness of an overhang, encouraging the shares to drift to a modest discount. But nervousness about the prospects of emerging markets is perhaps a more likely cause.

While expenses are painfully high, it is necessary to see this in the context of the fund's success. Indeed, despite the significant cut the manager takes of any outperformance, the trust is still beating all its peers by a country mile (see table), although over one-year India Capital Growth is having a very strong run. Importantly, if Ashoka's manager stops delivering, then the fees stop too.

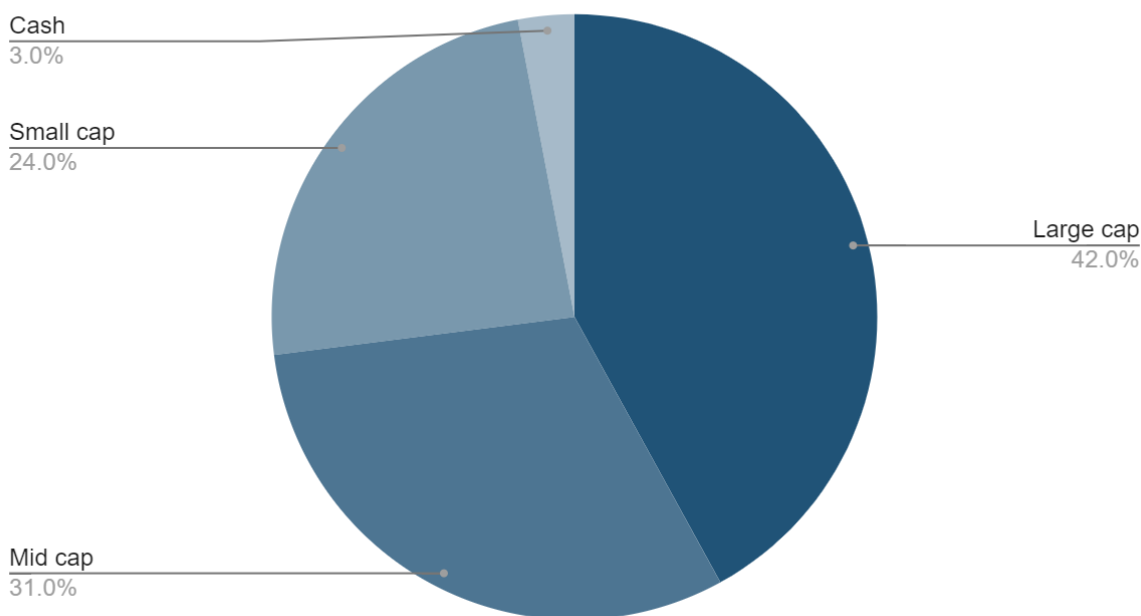
## INDIAN INVESTMENT TRUST SUB-SECTOR

	NAV Performance				
	1m	3m	6m	1y	3y
Aberdeen New India	3%	12%	8%	33%	23%
Ashoka India Equity	5%	17%	21%	50%	68%
India Capital Growth	6%	24%	28%	79%	23%
JPM Indian	2%	12%	7%	30%	10%
<b>MSCI India</b>	<b>2%</b>	<b>12%</b>	<b>9%</b>	<b>33%</b>	<b>32%</b>

source: Winterflood Securities

Aside from the performance record, a key selling point for the fund's management is its on-the-ground presence in India. The firm is based in Mumbai and was founded by Prashant Khemka, a former Goldman Sachs chief investment officer for global emerging markets and indian equities. The trust draws on a team of ten analysts. The insights provided by these feet on the ground has been used to get considerably more exposure to mid and small-cap companies than is the case with other trusts.

## Ashoka portfolio breakdown by holding mkt cap



source: Ashoka India equity Trust

The team builds the portfolio based on the stocks it believes have most potential rather than paying any particular attention to sector or macro themes. That translates into big overweight positions in Financials (28 per cent of the portfolio), which should be big beneficiaries of the country's economic development, Information Technology (24 per cent) and Consumer Discretionary companies (14.4 per cent).

The investment approach pays particular attention to how capital intensive companies are, their growth prospects and valuations based on sustainable free cash flow.

There is also a special focus given to governance and ownership. This makes a lot of sense in a country where corruption and family ownership can be major issues. While the investment criteria sounds like something one may associate with a buy and hold investor, portfolio turnover is in fact quite high at over 100 per cent last year.

India itself looks like it may face a few headwinds. Higher oil prices have a noteworthy impact on the economy as it is a big importer of the stuff. Meanwhile, recent dollar strength is also a negative for emerging markets in

general as it encourages capital flight. Indian also has about half of its external debt denominated in dollars.

The threat of Covid also lurks in the background. The more-highly contagious Delta variant of the virus started in the country and new cases peaked at about 400,000 a day in early May. The numbers have fallen back rapidly, though, and are currently running at about 30,000 a day. Meanwhile, the country is rolling out vaccines but there is some concern progress is not being made fast enough. 7 per cent of the population are currently fully vaccinated and 18 per cent partially.

Vaccines highlight the attractions of India in another way though. It's Serum Institute is the world's largest maker of vaccines, and the role it has played in providing the world with defense against the virus serves as an advert for India as a manufacturer. Seeing an opportunity to capture foreign direct investment created from diversification of supply away from China by international businesses, the Indian government is keen to promote the country as a global manufacturing hub.

Vietnam has so far been the key beneficiary of this shift (as discussed in last month's report), but India has much more capacity to offer. While it also boasts relatively low wages and a young population, the country has about 13-times more people than Vietnam.

Ashoka is also very positive about recent economic reforms in India. These include major changes to labour markets and farming as well as the privatisation of state owned banks.

The trust's fees are high but performance net of fee has been exceptional all the same. The investment manager looks like it may genuinely offer something special. Also, if it fails to deliver, at least those fat fees get scrapped. Administrative costs should also fall as the fund grows. Having received permission to issue up to 125m new shares it recently got the process of expansion underway by selling 2.8m shares in May at 160p a pop.

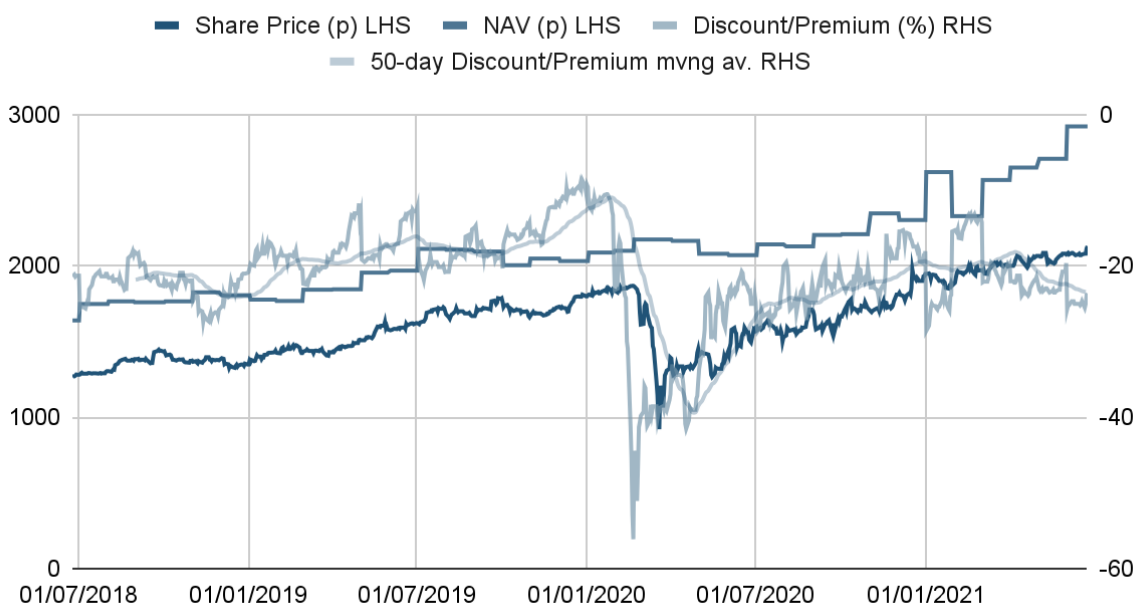
**Go to the next page to find out about the next trust...**

## HarbourVest Global Private Equity

Name	TIDM	Mkt Cap	Price	DY	Gearing
HarbourVest Global PrivEq	HVPE	£1,781m	2,230p -		-%
<b>Discount to NAV</b>					
<b>Z-Score</b>	<b>Now</b>	<b>Avg.</b>	<b>Low</b>	<b>High</b>	
-0.9	-23.80%	-20.70%	-13.20%	-26.20%	
<b>Price Performance</b>					
<b>1m</b>	<b>3m</b>	<b>6m</b>	<b>1y</b>	<b>3y</b>	<b>5y</b>
7.20%	9.30%	20.30%	40.60%	73.10%	142.40%
<b>Sector breakdown</b>					
<b>Name</b>	<b>% Port</b>				
Tech & Software	29				
Medial & Biotech	15				
Consumer	14				
Financial	12				
Business services & other	11				
Industrial & transport	11				
Media & Telecoms	5				
Energy & cleantech	3				
source: Winterflood/Morningstar/Trust					



## 3 Year Record



Source: Winterflood, Morningstar

**HarbourVest Global Private Equity** (HVPE) has had a decent run since it featured in April's Alpha IT report. It is a fund that invests in other private equity funds. NAV has been ticking higher as it has collected first quarter valuations from the funds it holds stakes in.

Despite the encouraging NAV performance, the discount has drifted out. It is not unusual for private equity funds to sit on wide discounts. This in part reflects the illiquidity and opacity of the underlying holdings. However, the widening discount also reflects increased nervousness about the outlook.

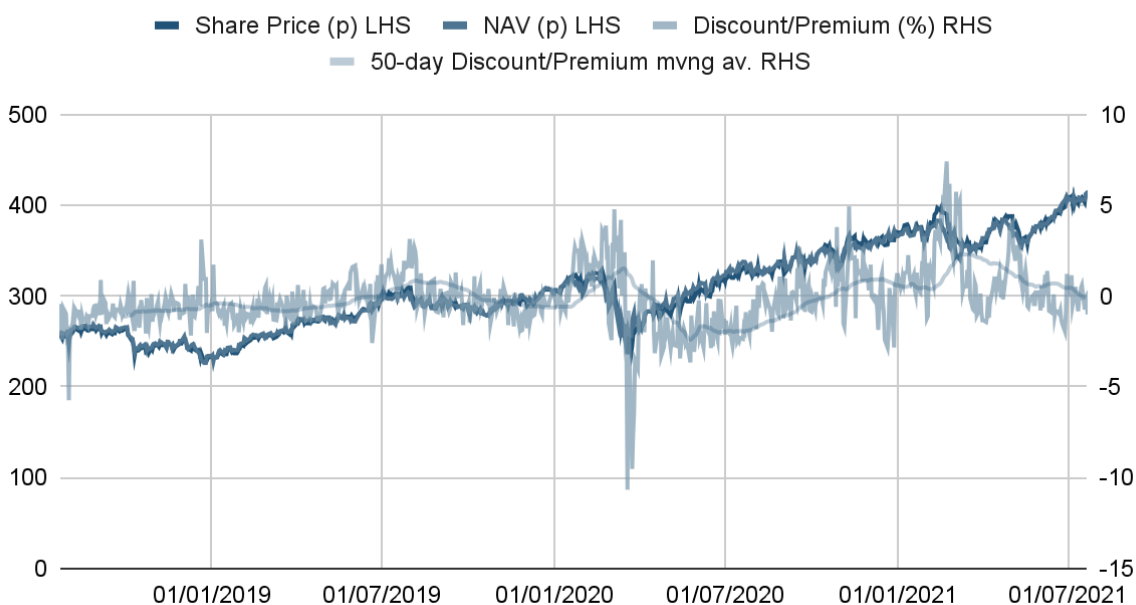
You can read more about the trust from the review in the April report [here](#)

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## Martin Currie Global Portfolio

Name	TIDM	Mkt Cap	Price	DY	Gearing
Martin Currie Global Portfolio	MNP	£350m	411p	1.00%	7%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-1	-0.90%	0.70%	7.40%	-2.70%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
4.70%	7.20%	9.60%	25.40%	67.30%	116.00%
Top Ten Holdings					
Name	% Port				
Taiwan Semiconductor Manufacturing Co Ltd ADR	5.5				
Microsoft Corp	4.7				
Atlas Copco AB A	4.6				
Masimo Corp	4.6				
Linde PLC	4.4				
Kingspan Group PLC	4.3				
ResMed Inc	4.2				
Hexagon AB Class B	4.1				
Moncler SpA	4.1				
Visa Inc Class A	4				
Total	44				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

**Martin Currie Global Portfolio (MNP)** is a trust focused on quality growth investments. It runs a concentrated portfolio and employs a very thorough research process that was introduced three years ago with the appointment of Zehrid Osmani as manager.

The board has also been attempting to boost the attractiveness of the trust by cutting fees. It also operates a zero discount policy. This should be welcomed but also means the value on offer is not great with a sub-one per cent discount.

Find out more about the trust with the write up from last month's report [here](#).

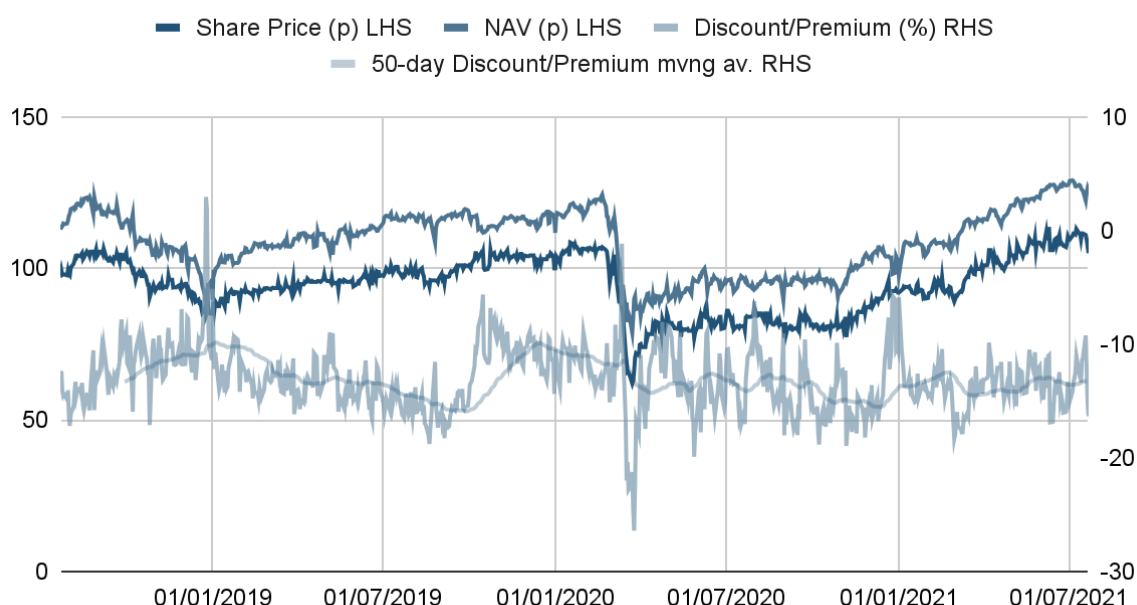
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## Middlefield Canadian Income

Name	TIDM	Mkt Cap	Price	DY	Gearing
Middlefield Canadian Inc Trusts	MCT	£112m	105p	4.90%	19%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-1.2	-16.30%	-13.80%	-6.20%	-19.00%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
-3.00%	5.00%	13.80%	32.20%	26.50%	53.60%
Top Ten Holdings					
Name	% Port				
Canadian Imperial Bank of Commerce	4.8				
Brookfield Renewable Partners LP	4.4				
Bank of Montreal	4.3				
The Toronto-Dominion Bank	4				
Riocan Real Estate Investment Trust	3.9				
Northland Power Inc	3.8				
Bank of Nova Scotia	3.8				
Sun Life Financial Inc	3.8				
Enbridge Income Fund	3.6				

Holdings Inc					
SmartCentres Real Estate Investment Trust	3.6				
Total	40				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

**Middlefield Canadian Income (MCT)** is an income-focused investment trust investing mainly in Canada but also holds some US stocks. The trust writes options to help generate income and uses high levels of gearing. There is a major focus on financials and real estate in the portfolio.

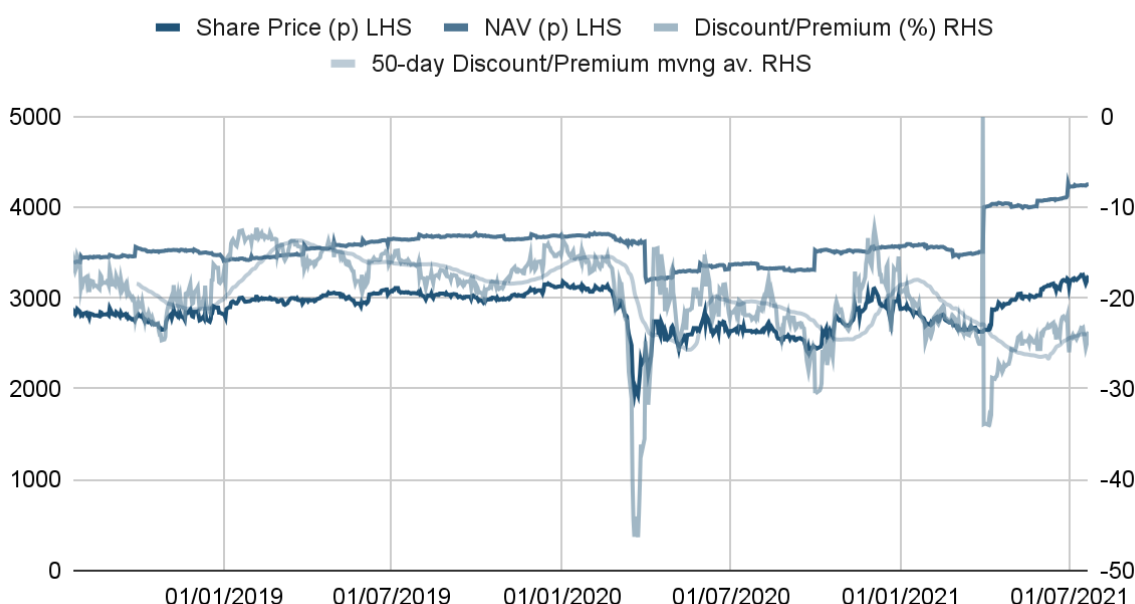
A large number of votes were cast against the re-election of a director the month before last and the trust is endeavouring to find out why this happened. That aside, not much has changed since MCT appeared in April's report which is available [here](#).

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## Caledonia Investments

Name	TIDM	Mkt Cap	Price	DY	Gearing
Caledonia	CLDN	£1,791m	3,245p	1.90%	-%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-0.6	-24.90%	-23.00%	-12.20%	-32.30%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
2.90%	10.60%	15.90%	25.40%	21.10%	58.60%
Top Ten Holdings					
Name	% Port				
Texas Instruments Inc	2.4				
Watsco Inc	2.2				
Microsoft Corp	2.2				
Oracle Corp	2.1				
Charter Communications Inc	1.8				
British American Tobacco PLC	1.6				
Spirax-Sarco Engineering PLC	1.5				
Thermo Fisher Scientific Inc	1.5				
Fastenal Co	1.4				
Hill & Smith Holdings PLC	1.4				
Total	18				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

**Caledonia Investments** (CLDN) is a self-managed investment trust which was set up to manage the fortune of the Cayzer shipping dynasty. It is something of an oddity and has several off-putting features for would-be investors. That said, there are some interesting aspects to the investment case at the moment, which makes it worthy of consideration.

First, though, let's get the bad news out of the way. The trust's shares tend to trade at a substantial discount and the board's scope to remedy this is limited. While the trust does sometimes buyback shares, it has to keep the holding of the Cayzer concert party below 50 per cent. Given the concert party has a holding of nearly 49 per cent already, aggressive discount control through buybacks is off the cards. A trust-within-a-trust structure for much of the family's shareholding adds further complications to implementing change.

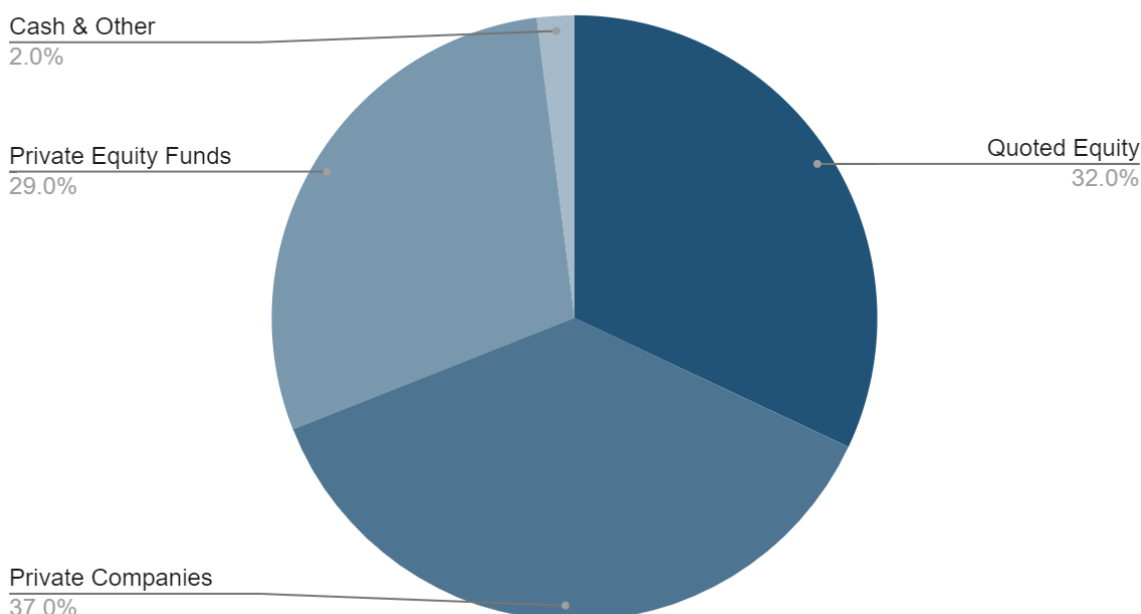
The other issue with the trust is that it doesn't really present a clear investment case. There is talk of wealth preservation (a common theme with family-office style trusts) and the trust benchmarks its performance against the FTSE All Share.

In reality, though, the portfolio is very international and pretty racy with two thirds of its investments in private equity. While the opacity of private equity

valuations means NAV fails to reflect such assets' volatility during sell offs, the risks of such investments were reflected in a peak to trough fall by Caledonia's shares during the March 2020 sell-off of nearly 39.2 per cent. That was worse than the maximum drawdown from both the FTSE All Share (35.5 per cent) and MSCI World (26.0 per cent) indices.

The persistent discount at which the trust's shares trade can also be seen in light of the large discounts often applied to private equity trusts. Caledonia's private equity holdings are split between stakes in individual companies and private equity funds (see pie charts).

## % Portfolio (31 March)



source: Caledonia Investments trust

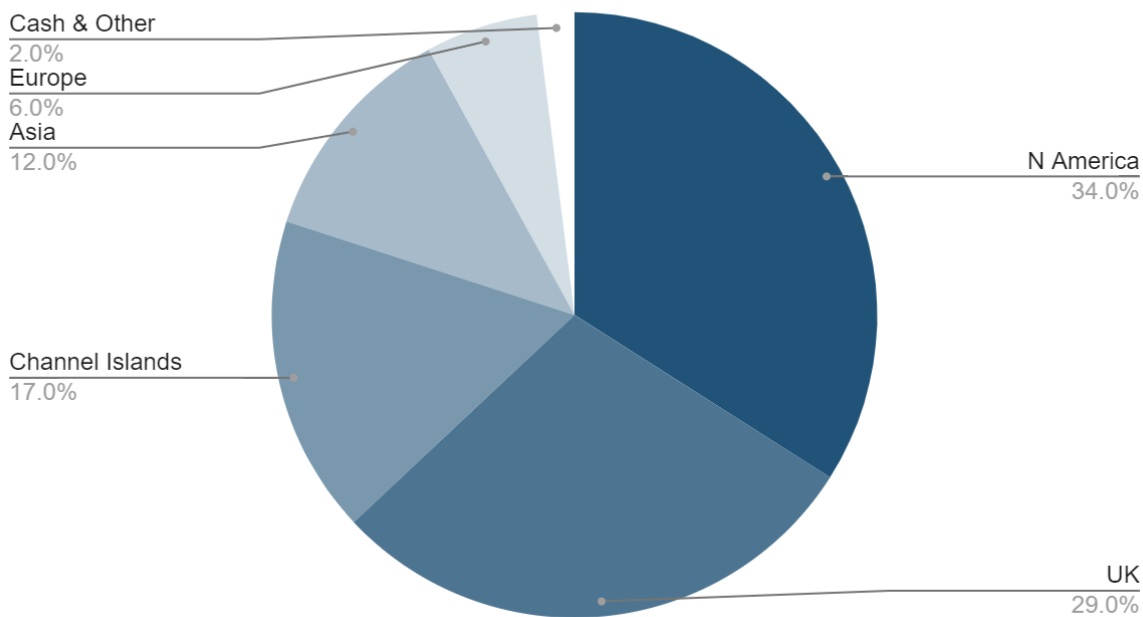
As for the weird benchmarking of the fund against a UK quoted equity index, it is fair to say this has been very flattering over recent years. The global nature of the portfolio can be seen just looking at where holdings are domiciled (see pie chart on next page). This actually does not do full justice to the international exposure, as the funds Caledonia largely uses to get exposure to private equity in Asia and North America do not need to be domiciled on those shores.

International equities have substantially outperformed the UK index over the last decade. This can be seen in the 10-year performance chart on the next page



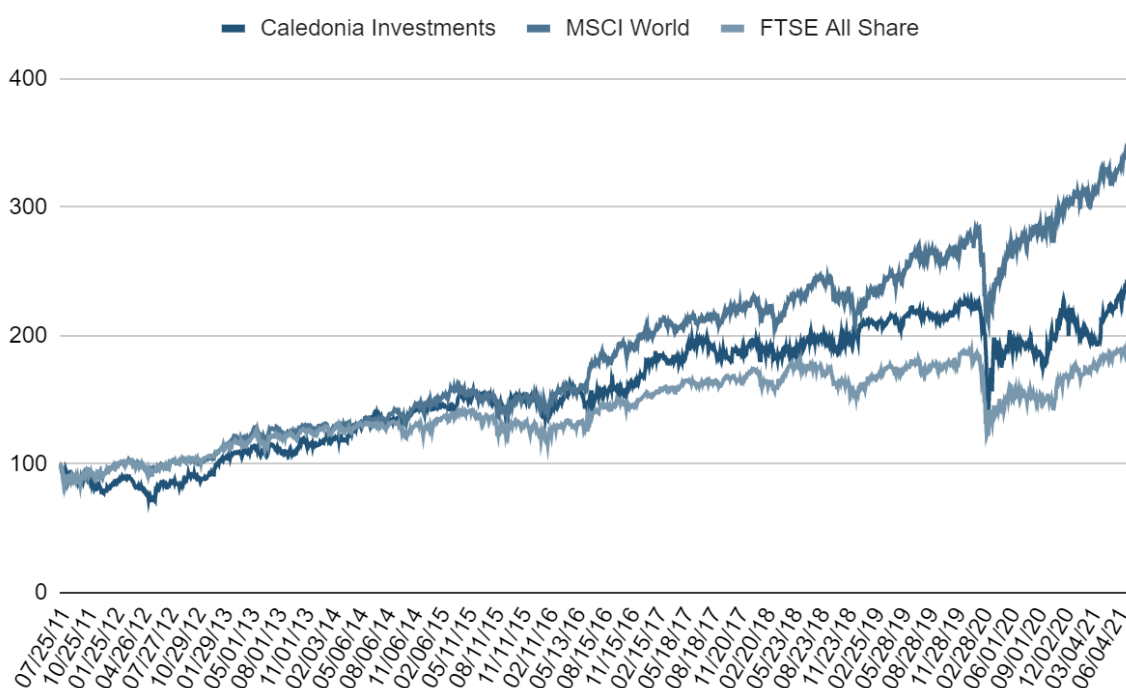
comparing total returns from the trust's shares with the MSCI World index as well as the FTSE All Share.

## Caledonia geographic exposure by domicile (31 March)



source: Caledonia Investments trust

## Caledonia Investments against the world!



Source: FactSet

So there are things not to like about this trust. However, there is something to like in the trust's recent NAV performance and the potential for its good run to continue.

The big jumps in NAV that can be seen in the chart accompanying the table of fundamental data at the start of this section reflect the periodic revaluations of the trust's significant private equity holdings. There was a very marked revision upwards in April when the company reported full year results to the end of March. However, the valuations for the trust's fund holdings at this time mainly reflected the last reported valuations to the end of December 2020. While no update has come from Caledonia since, reports from other listed funds-of-funds suggest there should be good news on the way.

**Harbourvest Global Private Equity** (HPVE), which also features in this report, publishes monthly NAV estimates, for example. It's most recent estimate of NAV to the end of June logged a 5 per cent jump for the month as the last of its holdings' end-of-March valuations came through. What's more, NAV is up 14 per cent since the end of March when most of its fund holdings were still reporting end-of-December valuations. All this suggests Caledonia should

report a further useful uplift to NAV the next time this is disclosed, possibly not until the interim results.

The companies direct holdings, which tend to focus on mid-sized UK companies, could also benefit should the current experiment in easing lockdown restrictions pan out. In particular, large holdings in a bingo business and pub and restaurant group could have much to gain.

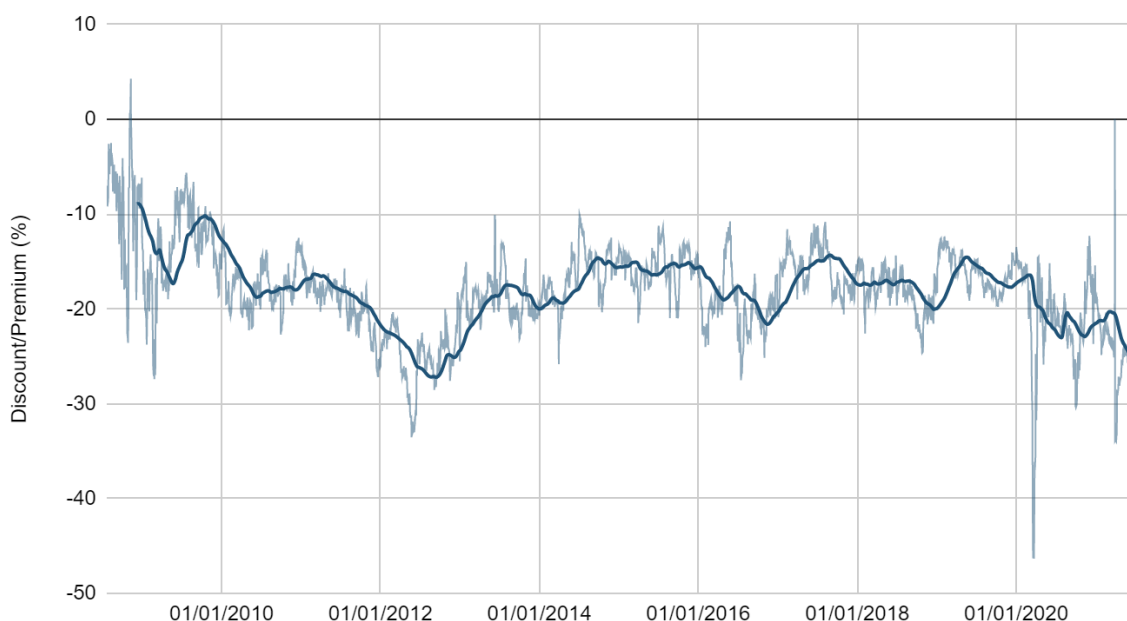
Caledonia's valuation policies for this portion of the portfolio are generally considered conservative. This would seem to be borne out by the price it got for the takeover of its largest private company holding, Deep Sea Electronics, in June. Caledonia received £242m for its stake which was 25 per cent above its 31 March valuation of £193m.

The group's equity portfolio, meanwhile, is chiefly focused on high-quality international large-caps, although there is a separate pool of money invested in income plays.

The baked-in nature of likely gains from Caledonia's fund holdings looks particularly interesting given the discount to NAV looks high by historical standards. The discount is among the widest 10 per cent of the valuation range over the last five years. There would be nearly 7 per cent upside potential from the discount simply returning to its 5 year average level of about 19 cent.

The 13 year discount chart (the longest period I could pull Morningstar data for) also suggests the trust looks cheap from a longer-term perspective. The trend is clearest from looking at the darker 100-day moving average line on the chart.

Caledonia Investments 13 year discount history



source: Morningstar

Markets are forward looking, so the wide discount to an extent reflects nervousness about what is to come. However, it also suggests that the shares are more likely to move when the end-of-March valuations do come through as long as nothing else blows-up in the meantime. The portfolio is also likely to be sensitive to any positive news from the UK's opening-up experiment. On the flipside, its private equity exposure to Asia, where vaccination rates are low and case numbers are rising, is a risk.

Action to address the discount and the complications created by the large family stake would also be a big plus, but that's been true for a very long time.

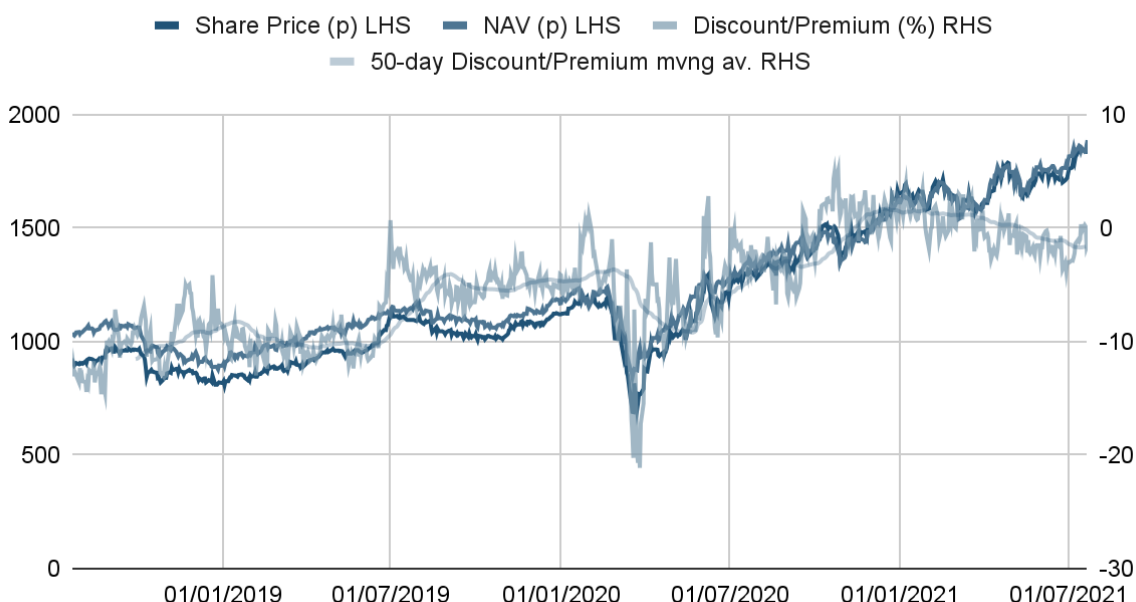
In all, though, the rest of 2021 could be an interesting time for this rather confused trust.

## Montanaro European Smaller Companies

Name	TIDM	Mkt Cap	Price	DY	Gearing
Montanaro Euro Smaller Cos	MTE	£324m	1,860p	0.50%	2%
Discount to NAV					

Z-Score	Now	Avg.	Low	High	
-0.7	-1.50%	-0.10%	5.30%	-6.50%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
7.80%	5.10%	12.10%	42.40%	109.20%	230.40%
Top Ten Holdings					
Name	% Port				
Sartorius Stedim Biotech SA	4.3				
NCAB Group AB	4.2				
Fortnox AB	3.8				
Esker SA	3.7				
Thule Group AB	3				
ATOSS Software AG	3				
MIPS AB	2.9				
Vitrolife AB	2.8				
IMCD NV	2.5				
VZ Holding AG	2.4				
Total	33				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

**Montanaro European Smaller Companies** (MTE) is one of a select group of trusts targeting smaller companies in Europe. It has experienced a rip roaring year with a surge in NAV coinciding with a tightening of the discount. This has put the trust ahead of the competition over most time periods (see table on next page). It is a trust that is used to being ahead of the crowd.

However, recently performance has tailed off a bit and the trust has begun to move from a premium to a discount. Significantly, while the trust looks cheap compared with its one year history, which is what the Alpha strategy looks at, it is not cheap compared with the longer-term experience.

Indeed, the chart on the next page shows that based on the last ten years, both the level of NAV performance over the last 12 months and the premium rating are exceptional. This begs the question of whether the value we can see emerging now represents a buying opportunity or the beginning of a trend as the trust drifts back towards trading on a discount that's more representative of its history.

The board, for its part, targets a maximum discount of 10 per cent and has a policy of using share buybacks to try to keep to this objective. In theory, a 10 for

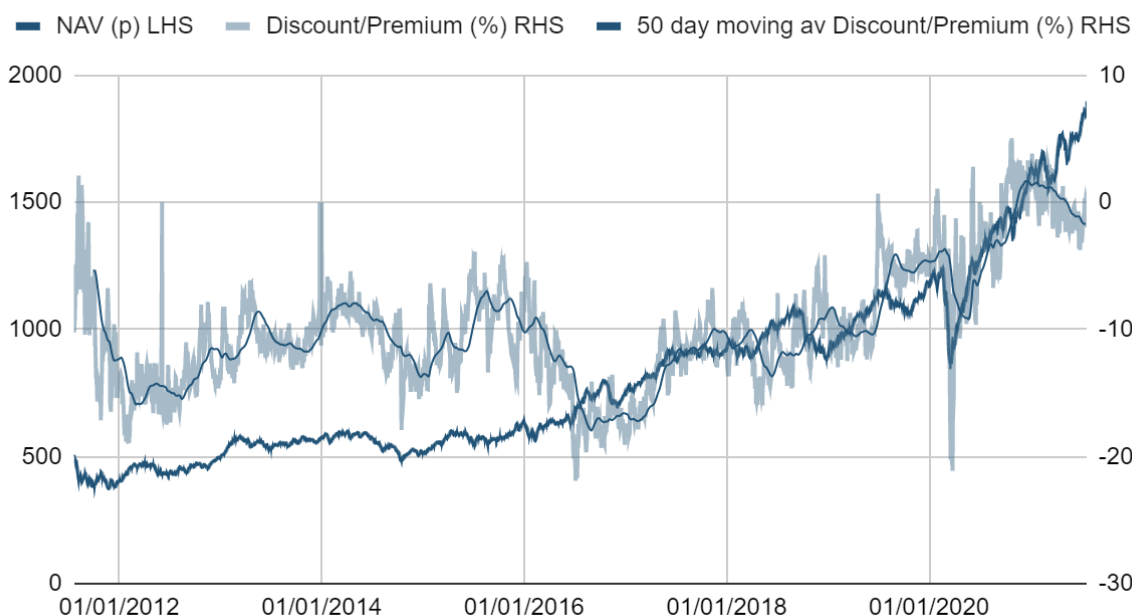
1 share spit scheduled for September should improve liquidity and could help keep the discount tight.

## EUROPEAN SMALLER COMPANIES INVESTMENT TRUST

	NAV Performance				Price Performance			
	3m	1y	3y	5y	3m	1y	3y	5y
European Assets	3%	38%	43%	88%	7%	49%	44%	90%
JPM European Discovery	5%	34%	37%	92%	1%	37%	31%	91%
Montanaro Euro Smaller Cos	7%	40%	93%	180%	5%	42%	109%	230%
TR European Growth	0%	49%	53%	130%	-1%	65%	54%	143%
<b>FTSE Europe Small Cap ex UK</b>	<b>3%</b>	<b>29%</b>	<b>32%</b>	<b>85%</b>	<b>3%</b>	<b>29%</b>	<b>32%</b>	<b>85%</b>

source: Winterflood Securities

## Recent performance and premium not the norm...



Source: Morningstar

The trust has also recently traversed markets that have historically been dangerous for its performance; a so-called dash for trash. In the past the worst periods of underperformance for the trust have been when investors have flocked to value stocks. But during the recent value rotation, not too much damage seems to have been done. And as discussed in last month's report, there are signs the outperformance of "value" has petered out.

It is really investors' attitudes to the asset class the trust invests in rather than its performance that is the cause for concern that the discount could widen as performance moderates to more normal levels.

The fund's manager focuses on finding quality growth stocks. The process starts by identifying businesses that are deemed of sufficient quality to invest in. The trust's manager then chooses investments from the list of companies that an investment committee has deemed to be good enough.

The trust draws on a multi-lingual team of 11 analysts. The fact that not all European smaller companies publish accounts in English means language skills can be a real plus. Analytical muscle is also important because the companies the trust targets, with market capitalisations typically ranging between €250m and €5bn, are often very under researched by brokers. Over a third of the portfolio is made up of companies which three or less brokers cover. The manager believes MIFID II is causing there to be even less coverage of European smaller companies, which creates more potential for mispricing.

Underpinning the investment process is a screening system based on 14 criteria which is used to hone in on stocks worth researching and a 58 point checklist to evaluate potential investments.

The trust has little interest in tracking its benchmark with big overweight positions in the information technology sector, which accounts for 32 per cent of the portfolio, and healthcare at 20 per cent. Sweden is also home to a large proportion of the fund's holdings accounting for 29 per cent of the portfolio. The manager puts this down to the country's entrepreneurial and international mind set as well as the advantage of having the linguistic skills to analyse domestic companies.



The portfolio itself is relatively concentrated at 56 holdings. There is also a strong focus on sustainability and governance, with these factors felt to be particularly significant in helping determine the quality of small caps.

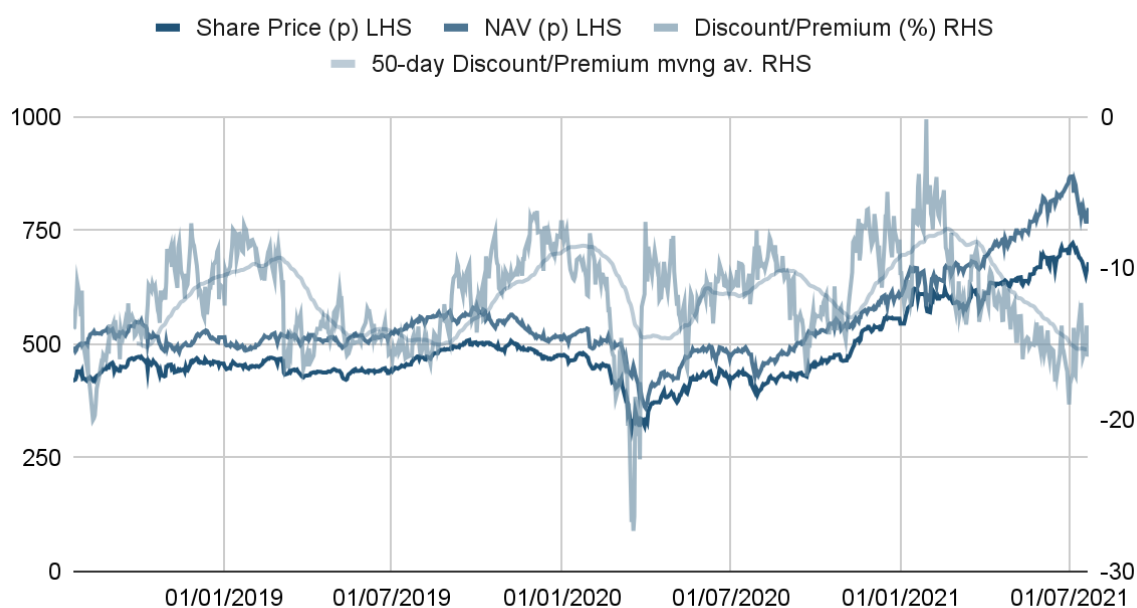
There's a lot to like about Montanaro European Smaller Companies, but I struggle to see the small discount that has recently emerged as a genuine bargain. Still the trust boasts plenty of long-term attractions.

## Vietnam Enterprise

Name	TIDM	Mkt Cap	Price	DY	Gearing
Vietnam Enterprise	VEIL	£1,461m	680p	-	-%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-0.8	-13.90%	-11.40%	-0.20%	-19.00%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
-3.80%	6.60%	11.50%	62.70%	60.00%	152.30%
Top Ten Holdings					
Name	% Port				
Hoa Phat Group JSC	12.1				
Asia Commercial Joint Stock Bank Ordinary Shares	9.6				
Mobile World Investment Corp	9.1				
Vingroup JSC	7.4				
Vietnam Prosperity JSC Bank	7.3				
Joint Stock	7.1				

Commercial Bank for Foreign Trade of Vietnam					
Vinhomes JSC	6.5				
FPT Corp	4.1				
Vietnam Technological and Commercial Joint Stock bank Ordinary Shares	3.4				
Khang Dien House Trading and Investment JSC	3.3				
Total	70				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

As international companies seek to diversify their manufacturing bases away from China, Vietnam is benefiting from rising foreign direct investment. The country is attractive due to its government's business friendly policies, excellent geography and its youthful, industrious and well-educated population. Investors stand to benefit from a number of themes in the country, such as the growth of the middle class, urbanisation and the rapid emergence of the digital economy. It looks like a genuinely exciting development story based on export-led growth.

Large-cap focused **Vietnam Enterprise** (VEIL) has benefited recently from changes to its investment process but in the last month performance has been hit as Covid-19 cases have risen sharply. Vietnam dealt with the pandemic very effectively last year and recorded solid GDP growth, however, the country's vaccination programme is at a very early stage.

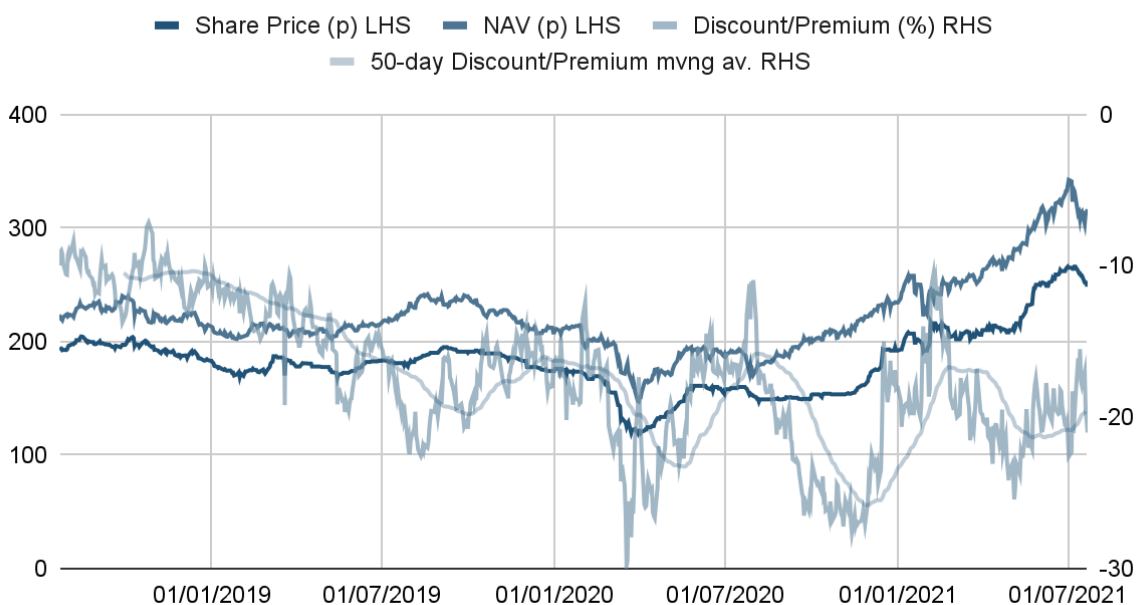
A more thorough analysis of VEIL is available in the April report [here](#).

## VietNam Holdings

Name	TIDM	Mkt Cap	Price	DY	Gearing
VietNam Holding	VNH	£107m	250p	-	-
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-0.1	-20.80%	-20.40%	-10.30%	-27.30%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
-3.80%	18.50%	23.80%	57.20%	28.50%	46.30%
Top Ten Holdings					
Name	% Port				
FPT Corp	11.1				
Hoa Phat Group JSC	11				
Viet Nam Joint Stock Commercial Bank For Industry And	10.1				

Trade					
Vietnam Prosperity JSC Bank	9.4				
Military Commercial Joint Stock Bank	5.9				
Saigon Thuong Tin Commercial Joint Stock Bank	5.2				
Khang Dien House Trading and Investment JSC	4.6				
Mobile World Investment Corp	4.4				
Phu Nhuan Jewelry JSC	4.2				
Vinhomes JSC	3.8				
Total	70				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

**VietNam Holdings** (VNH) benefits from the same strong long-term backdrop as VEIL (see above) and the same immediate challenge presented by Covid. The trust focuses more on smaller companies. It is also sub-scales and has a chequered past.

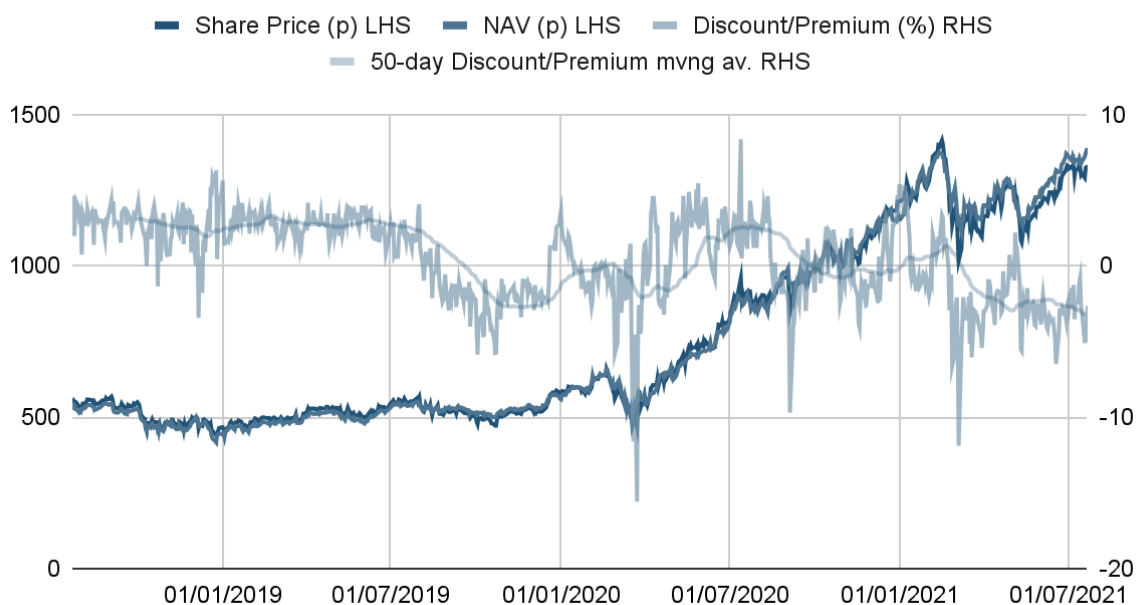
A new board is focused on substantially improving governance and narrowing the discount. Tender offers are being used to achieve this but this could ultimately cause the trust to need to be wound up. Read a more detailed explanation in last month's report [here](#).

## Scottish Mortgage\*

Name	TIDM	Mkt Cap	Price	DY	Gearing
Scottish Mortgage	SMT	£19,104m	1,352p	0.30%	7%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
	-0.3	-2.50%	-1.70%	4.50%	-12.30%
Share Price Performance					
1m	3m	6m	1y	3y	5y

6.00%	8.00%	5.70%	48.60%	146.00%	378.30%
<b>Top Ten Holdings</b>					
<b>Name</b>	<b>% Port</b>				
Tencent Holdings Ltd	5.8				
Illumina Inc	5.6				
ASML Holding NV	5.1				
Amazon.com Inc	4.7				
Moderna Inc	4.5				
Tesla Inc	4.5				
Alibaba Group Holding Ltd ADR	4.1				
Meituan	3.7				
Delivery Hero SE	3.4				
NIO Inc ADR	3.3				
Total	45				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

Investor-favourite **Scottish Mortgage** (SMT) is struggling to shift the small discount its shares are trading on. With the value rotation abating, the trust's growth-focused style seems to be coming back into favour. However, there are a number of uncertainties about the trust's future, including the loss of the architect of its investment strategy, James Anderson, who is due to retire next year.

Read more about the potential cross roads the trust and its manager are at in last month's report [here](#).

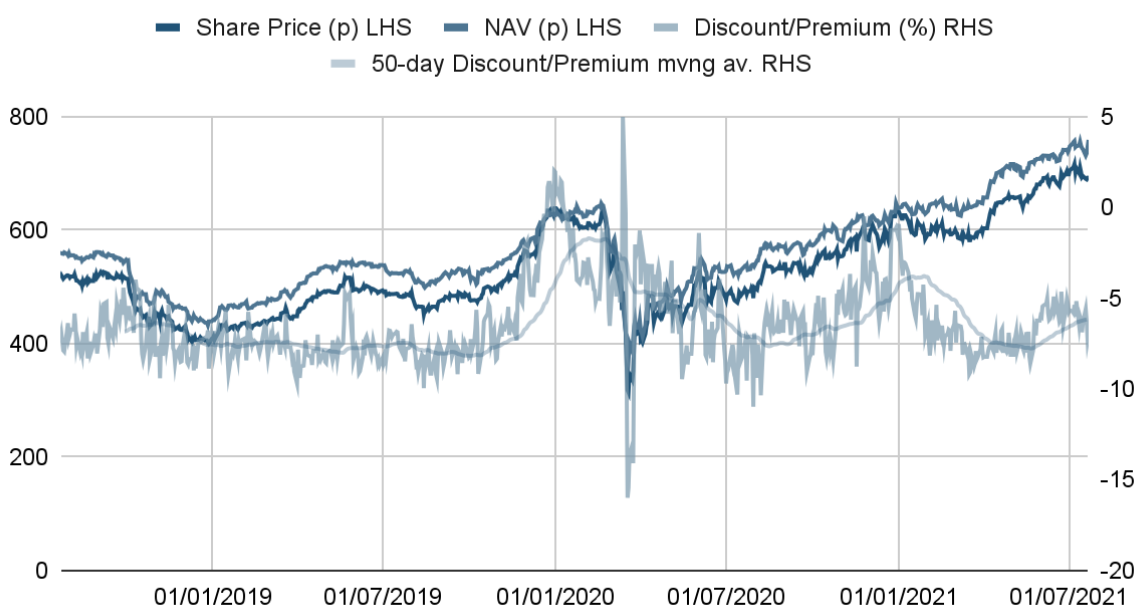
## Standard Life UK Smaller Companies\*

Name	TIDM	Mkt Cap	Price	DY	Gearing
Standard Life UK Smaller Cos	SLS	£695m	706p	1.10%	6%
Discount to NAV					
Z-Score	Now	Avg.	Low	High	
-0.3	-6.30%	-5.90%	-0.40%	-10.40%	
Share Price Performance					
1m	3m	6m	1y	3y	5y
2.90%	8.60%	15.60%	45.10%	42.90%	129.30%
Top Ten Holdings					
Name	% Port				
Future PLC	5.1				
Gamma Communicatio ns PLC	4.4				
Kainos Group PLC	4.2				
XP Power Ltd	3.6				
Impax Asset Management Group PLC	3.1				
Hilton Food Group PLC	2.8				
Cranswick PLC	2.7				
Safestore Holdings PLC Ordinary Shares	2.7				
Games Workshop Group PLC	2.6				
Alpha Financial Markets Consulting PLC Ordinary	2.6				



Shares					
Total	34				
source: Winterflood/Morningstar					

## 3 Year Record



Source: Winterflood, Morningstar

Like SMT, top performing UK smaller companies trust **Standard Life UK Smaller Companies** (SLS), is soon to lose its long-serving star manager. However, the transfer has been long planned and the investment process is underpinned by a highly successful screening process. You can read more about the trust in May's report [here](#).

**The performance breakdown of all our 10 trust portfolios is below...**

## DETAILED REPORT PERFORMANCE BREAKDOWN\*

\*from close on day of publication to 24 July 2021

20-Jul-20			11-Sep-20		
Name	TIDM	Total Return	Name	TIDM	Total Return
Alpha ITs	-	43.3%	Alpha ITs	-	37.2%
MSCI World	-	23.4%	MSCI World	-	21.5%
FTSE All Share	-	19.0%	FTSE All Share	-	21.5%
TRUST PICKS			TRUST PICKS		
Baillie Giff US Grth	USA	60.0%	JPMorgan Indian	JII	32.7%
TR European Grth	TRG	67.3%	Pacific Assets	PAC	31.5%
JPMorgan US Sm Co	JUSC	49.6%	Fidelity Asian Values	FAS	48.2%
Henderson Eurotrust	HNE	17.4%	JPMorgan Emg Mkt	JMG	27.5%
Henderson Eur.Focus Tst.	HEFT	29.7%	Asia Dragon Trust	DGN	25.8%
Fidelity China Spstn.	FCSS	30.1%	Schdr.An.Tor.In v.	ATR	23.9%
Jupiter US Sm Co	BASC	54.2%	Scottish Mortgage	SMT	44.8%
AVI Global	AGT	36.5%	Herald Investment	HRI	43.0%
European Assets Trust	EAT	50.4%	European Assets Trust	EAT	45.0%
JPMorgan Eur. Sm Co	JEDT	38.2%	Blackrock World Mng.	BRWM	49.4%
19-Oct-20			16-Nov-20		
Name	TIDM	Total Return	Name	TIDM	Total Return
Alpha ITs	-	31.0%	Alpha ITs	-	20.8%
MSCI World	-	20.7%	MSCI World	-	15.4%
FTSE All Share	-	23.3%	FTSE All Share	-	12.5%
TRUST PICKS			TRUST PICKS		
Standard Life Uk Sm.Cos.	SLS	27.3%	Aurora Investment	ARR	8.5%
Pacific Assets	PAC	21.3%	Artemis Alpha Trust	ATS	21.8%

Fidelity Asian Values	FAS	42.5%	Invesco Perp.Uk Smcos.	IPU	35.4%
Independent Inv Trst	IIT	25.2%	Invesco Asia Trust	IAT	13.0%
Aurora Investment	ARR	32.5%	Strategic Equity Cap.	SEC	37.8%
AVI Global	AGT	29.7%	Std.Lf.Inv.Pr.Inc .Tst.	SLI	13.0%
JPMorgan US Sm Co	JUSC	35.3%	Brunner Investment Trust	BUT	22.3%
BMO Commercial Prop	BCPT	56.7%	CC Japan Inc&Grth	CCJI	9.7%
JPMorgan Indian	JII	26.2%	Fidelity Asian Values	FAS	33.2%
CC Japan Inc&Grth	CCJI	12.7%	Blackrock Frontiers	BRFI	13.5%
25-Jan-21			22-Feb-21		
Name	TIDM	Total Return	Name	TIDM	Total Return
Alpha ITs	-	14.2%	Alpha ITs	-	12.6%
MSCI World	-	11.0%	MSCI World	-	12.6%
FTSE All Share	-	8.2%	FTSE All Share	-	7.7%
TRUST PICKS			TRUST PICKS		
Aberforth Smcos.	ASL	25.7%	Rights & Issues It.	RIII	10.3%
Temple Bar	TMPL	12.7%	Schroder Orntrl.Inc.Fd.	SOI	-0.6%
Murray Intl.	MYI	5.2%	Avi Global Trust	AGT	8.3%
Merchants Trust	MRCH	17.6%	Polar Capital Tech.Tst.	PCT	6.0%
Templeton Emrg.Mkts.It.	TEM	-3.2%	Jpmorgan Claverhouse	JCH	16.0%
Blackrock Smcos.Tst.	BRSC	23.5%	Rit Capital Partners	RCP	19.4%
Henderson Smaller Cos.	HSL	23.7%	North Atlantic Smcos.	NAS	21.8%
Std.Lf.Inv.Pr.Inc .Tst.	SLI	22.6%	Tr European Growth	TRG	10.6%

AVI Global	AGT	10.3%	Invesco Perp.Uk Smcos.	IPU	19.0%
Scottish Mortgage	SMT	3.7%	Aberforth Smcos.	ASL	15.6%
29-Mar-21			27-Apr-21		
Name	TIDM	Total Return	Name	TIDM	Total Return
Alpha ITs	-	10.1%	Alpha ITs	-	3.5%
MSCI World	-	9.2%	MSCI World	-	4.9%
FTSE All Share	-	4.9%	FTSE All Share	-	1.2%
TRUST PICKS					
Rights & Issues It.	RIII	8.3%	Rights & Issues It.	RIII	-0.4%
Nippon Active Value Fund	NAVF	3.4%	Rit Capital Partners	RCP	3.7%
Henderson Intl.Inc.Tst.	HINT	5.6%	Bmo Cap.&Inc.It.	BCI	2.4%
Invesco Perp.Uk Smcos.	IPU	17.0%	Bmo Priv.Eq.Tst.	BPET	7.9%
Jpmorgan American It.	JAM	11.9%	Mercantile It.	MRC	-1.1%
North American Inc.Tst.	NAIT	10.5%	Brunner Investment Trust	BUT	8.9%
North Atlantic Smcos.	NAS	20.1%	Aberforth Smcos.	ASL	-4.7%
Middlefield Cdn.Inc.	MCT	7.8%	Blackrock Smcos.Tst.	BRSC	5.8%
Vietnam Enter.Inv.	VEIL	15.5%	Middlefield Cdn.Inc.	MCT	4.4%
Gab.Value Plus + Trust Dead - Delist.13/07/21	GVP	0.9%	Harbourvest Global	HVPE	8.3%

24-May-21			28-June-21		
Name	TIDM	Total Return	Name	TIDM	Total Return
Alpha ITs	-	4.1%	Alpha ITs	-	0.8%
MSCI World	-	5.9%	MSCI World	-	1.8%
FTSE All Share	-	-0.4%	FTSE All Share	-	-1.0%

Rights & Issues It.	RIII	0.0%	Vietnam Enter.Inv.	VEIL	-3.8%
Aberforth Smcos.	ASL	-1.5%	Jpmorgan Russian	JRS	1.0%
Standard Life Uk Sm.Cos.	SLS	6.4%	Caledonia Investments	CLDN	3.4%
Odyssean Investment Tst.	OIT	5.2%	Martin Currie Glb.Prtf.	MNP	3.5%
North American Inc.Tst.	NAIT	3.2%	Fidelity European Tst.	FEV	1.5%
Rit Capital Partners	RCP	1.8%	Vietnam Holding	VNH	-4.6%
Caledonia Investments	CLDN	9.4%	Rights & Issues It.	RIII	-1.0%
Vietnam Enter.Inv.	VEIL	3.8%	Scottish Mortgage	SMT	3.0%
Jpmorgan Russian	JRS	9.5%	European Opportunities	JEO	6.2%
Invesco Perp.Slt.Uk Eq.	IVPU	3.4%	Middlefield Cdn.Inc.	MCT	-0.7%

## Full July 2021 10 trust 'portfolio'

### 10-trust portfolio

Rank	Name	TIDM	Market cap	Price	Gearing	DY	ZScore	Now	Discount to NAV			Share price performance						
									Avg	Low	High	1-mth	3-mths	6-mths	1-year	3-years	5-years	
1	Ashoka India Equity	AIE	£137m	159p	0%	-	-1.4	-3.4%	0.5%	5.9%	-7.8%	-0.3%	14.0%	13.8%	51.4%	63.1%	-	
2	HarbourVest Global PrivEq	HVPE	£1,781m	2,230p	0%	-	-0.9	-23.8%	-20.7%	-13.2%	-26.2%	7.2%	9.3%	20.3%	40.6%	73.1%	142.4%	
3	Martin Currie Global Portfolio	MNP	£350m	411p	7%	1.0%	-1.0	-0.9%	0.7%	7.4%	-2.7%	4.7%	7.2%	9.6%	25.4%	67.3%	116.0%	
4	Middlefield Canadian Inc Trusts	MCT	£112m	105p	19%	4.9%	-1.2	-16.3%	-13.8%	-6.2%	-19.0%	-3.0%	5.0%	13.8%	32.2%	26.5%	53.6%	
5	Caledonia	CLDN	£1,791m	3,245p	0%	1.9%	-0.6	-24.9%	-23.0%	-12.2%	-32.3%	2.9%	10.6%	15.9%	25.4%	21.1%	58.6%	
6	Vietnam Enterprise	VEIL	£1,461m	680p	0%	-	-0.8	-13.9%	-11.4%	-0.2%	-19.0%	-3.8%	6.6%	11.5%	62.7%	60.0%	152.3%	
7	VietNam Holding	VNH	£107m	250p	0%	-	-0.1	-20.8%	-20.4%	-10.3%	-27.3%	-3.8%	18.5%	23.8%	57.2%	28.5%	46.3%	
8	Scottish Mortgage	SMT	£19,104m	1,352p	7%	0.3%	-0.3	-2.5%	-1.7%	4.5%	-12.3%	6.0%	8.0%	5.7%	48.6%	146.0%	378.3%	
9	Montanaro Euro Smaller Cos	MTE	£324m	1,860p	2%	0.5%	-0.7	-1.5%	-0.1%	5.3%	-6.5%	7.8%	5.1%	12.1%	42.4%	109.2%	230.4%	
10	Standard Life UK Smaller Cos	SLS	£695m	706p	6%	1.1%	-0.3	-6.3%	-5.9%	-0.4%	-10.4%	2.9%	8.6%	15.6%	45.1%	42.9%	129.3%	

Winterflood Securities  
As at 23 July 2021

Top 25 trusts for July 2021 on next page

## Top 25

Rank	Name	TIDM	Market cap	Price	Gearing	DY	Z Score	Now	Discount to NAV			Share price performance						
									Avg	Low	High	1-mth	3-mths	6-mths	1-year	3-years	5-years	
1	Ashoka India Equity	AIE	£137m	159p	0%	-	-1.4	-3.4%	0.5%	5.9%	-7.8%	-0.3%	14.0%	13.8%	51.4%	63.1%	-	
2	HarbourVest Global PrivEq	HVPE	£1,781m	2,230p	0%	-	-0.9	-23.8%	-20.7%	-13.2%	-26.2%	7.2%	9.3%	20.3%	40.6%	73.1%	142.4%	
3	Martin Currie Global Portfolio	MNP	£350m	411p	7%	1.0%	-1.0	-0.9%	0.7%	7.4%	-2.7%	4.7%	7.2%	9.6%	25.4%	67.3%	116.0%	
4	Middlefield Canadian Inc Trusts	MCT	£112m	105p	19%	4.9%	-1.2	-16.3%	-13.8%	-6.2%	-19.0%	-3.0%	5.0%	13.8%	32.2%	26.5%	53.6%	
5	Caledonia	CLDN	£1,791m	3,245p	0%	1.9%	-0.6	-24.9%	-23.0%	-12.2%	-32.3%	2.9%	10.6%	15.9%	25.4%	21.1%	58.6%	
6	Vietnam Enterprise	VEIL	£1,461m	680p	0%	-	-0.8	-13.9%	-11.4%	-0.2%	-19.0%	-3.8%	6.6%	11.5%	62.7%	60.0%	152.3%	
7	VietNam Holding	VNH	£107m	250p	0%	-	-0.1	-20.8%	-20.4%	-10.3%	-27.3%	-3.8%	18.5%	23.8%	57.2%	28.5%	46.3%	
8	Scottish Mortgage	SMT	£19,104m	1,352p	7%	0.3%	-0.3	-2.5%	-1.7%	4.5%	-12.3%	6.0%	8.0%	5.7%	48.6%	146.0%	378.3%	
9	Montanaro Euro Smaller Cos	MTE	£324m	1,860p	2%	0.5%	-0.7	-1.5%	-0.1%	5.3%	-6.5%	7.8%	5.1%	12.1%	42.4%	109.2%	230.4%	
10	Standard Life UK Smaller Cos	SLS	£695m	706p	6%	1.1%	-0.3	-6.3%	-5.9%	-0.4%	-10.4%	2.9%	8.6%	15.6%	45.1%	42.9%	129.3%	
11	European Opportunities	JEO	£837m	790p	7%	0.4%	-0.3	-11.3%	-10.8%	-6.5%	-13.8%	6.9%	7.5%	8.4%	11.4%	-2.0%	45.9%	
12	Fidelity European Trust	FEV	£1,278m	311p	12%	2.1%	-0.7	-7.2%	-6.5%	-3.6%	-9.2%	1.5%	4.7%	9.9%	17.6%	45.4%	102.6%	
13	Polar Capital Technology	PCT	£3,316m	2,438p	0%	-	-0.9	-8.2%	-6.0%	2.2%	-11.4%	4.9%	3.7%	4.2%	18.6%	84.4%	240.5%	
14	Manchester & London	MNL	£243m	600p	0%	2.3%	-1.2	-13.5%	-5.5%	6.2%	-43.4%	2.7%	2.7%	-4.9%	-6.7%	23.2%	148.0%	
15	Baillie Gifford European Grth	BGEU	£563m	154p	12%	0.2%	-1.2	-2.4%	0.9%	6.8%	-5.8%	2.4%	2.5%	8.7%	34.6%	78.3%	155.2%	
16	JPM American	JAM	£1,307m	668p	6%	1.0%	-0.7	-5.7%	-5.0%	-2.0%	-7.9%	2.9%	3.6%	12.7%	35.5%	58.8%	116.9%	
17	Troy Income & Growth	TIGT	£249m	77p	0%	2.8%	-0.9	-1.8%	-0.9%	3.7%	-3.2%	-0.5%	2.5%	6.8%	7.3%	9.8%	18.6%	
18	JPM Indian	JII	£591m	761p	1%	-	0.3	-14.1%	-14.6%	-11.0%	-19.0%	1.5%	10.9%	5.4%	33.5%	9.5%	24.6%	
19	Aberdeen New India	ANII	£336m	575p	10%	-	0.4	-13.4%	-14.1%	-10.1%	-19.6%	2.5%	12.5%	4.9%	39.2%	24.1%	53.2%	
20	Alliance Trust	ATST	£3,155m	1,006p	8%	1.4%	-0.6	-7.2%	-6.7%	-4.0%	-10.2%	2.6%	3.5%	12.0%	26.2%	38.5%	97.7%	
21	Nippon Active Value	NAVF	£119m	116p	0%	-	-1.0	-7.1%	-4.6%	2.2%	-12.0%	-3.3%	2.2%	7.4%	20.5%	-	-	
22	BlackRock Latin American	BRLA	£150m	382p	11%	5.2%	-0.9	-10.9%	-9.3%	-2.6%	-14.3%	-2.3%	2.3%	-1.6%	20.5%	5.6%	24.7%	
23	JPM European Discovery	JEDT	£793m	498p	9%	1.4%	-1.5	-15.3%	-11.9%	-4.4%	-16.6%	2.5%	0.7%	7.0%	36.7%	31.0%	90.7%	
24	Rights & Issues	RIII	£186m	2,470p	0%	1.3%	-1.1	-10.4%	-7.2%	-0.4%	-12.5%	-0.2%	1.0%	19.0%	40.3%	12.9%	87.7%	
25	Aberdeen Standard Asia Focus	AAS	£422m	1,345p	6%	1.1%	-0.5	-12.8%	-11.7%	-6.9%	-17.6%	3.5%	2.5%	12.6%	41.5%	35.7%	57.5%	

Winterflood Securities  
As at 23 July 2021

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