



2020

Majedie Investments PLC
Half-Yearly Financial Report

31 March 2020

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Financial Highlights

	Half Year ended 31 March 2020
Total shareholder return (including dividends):	-30.2%
Net asset value (NAV) total return (debt at par including dividends):	-22.4%
NAV total return (debt at fair value including dividends):	-23.2%
NAV per share (debt at par value):	221.5p
NAV per share (debt at fair value):	212.3p
Revenue Return per share:	6.5p
Interim Dividend:	4.4p
Directors' valuation of investment in Majedie Asset Management Limited:	£30.6m
Total assets*:	£138.0m

* Total assets are defined as total assets less current liabilities.

Investment Objective and Policy Statement

Investment Objective

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term.

General

The Company invests principally in securities of publicly quoted companies worldwide and in funds managed by its investment manager, though it may invest in unquoted securities up to levels set periodically by the Board, including its investment in Majedie Asset Management Limited (MAM). Investments in unquoted securities, other than those managed by its investment manager or made prior to the date of adoption of this investment policy, (measured by reference to the Company's cost of investment) will not exceed 10% of the Company's gross assets.

Risk Diversification

Whilst the Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk, there will be no rigid industry, sector, region or country restrictions. The overall approach is based on an analysis of global economies sector trends with a focus on companies and sectors judged likely to deliver strong growth over the long term. The number of investments held, together with the geographic and sector diversity of the portfolio, enable the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

The Company will not invest in any holding that would, at the time of investment, represent more than 15% of the value of its gross assets save that the Company may invest up to 25% of its gross assets in any single fund managed by its investment manager where the Board believes that the investment policy of such funds is consistent with the Company's objective of spreading investment risk.

The Company may utilise derivative instruments including index-linked notes, contracts for difference, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes.

Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described above.

Asset Allocation

The assets of the Company will be allocated principally between investments in publicly quoted companies worldwide, in investments intended to provide an absolute return (in each case either directly or through other funds or collective investment schemes managed by the Company's investment manager) and the Company's investment in MAM itself.

Benchmark

The Company does not have one overall benchmark, rather each distinct group of assets is viewed independently. Any investments made into funds managed by the Company's investment manager will be measured against the benchmark or benchmarks, if any, whose constituent investments appear to the Company to correspond most closely to those investments. It is important to note that in all cases investment decisions and portfolio construction are made on an independent basis. The Board however sets various specific portfolio limits for stocks and sectors in order to restrict risk levels from time to time, which remain subject to the investment restrictions set out in this section.

Gearing

The Company uses gearing currently via long term debentures. The Board has the ability to borrow up to 100% of adjusted capital and reserves. The Board also reviews the level of net gearing (borrowings less cash) on an on-going basis and sets a range at its discretion as appropriate. The Company's current debenture borrowings are limited by covenant to 66 $\frac{2}{3}$ %, and any additional indebtedness is not to exceed 20%, of adjusted capital and reserves.

Chief Executive's Report

In the six months ended 31 March 2020 the NAV at par and NAV at FV (net asset value with debt at par and at fair value) fell by 22.4% and 23.2% respectively on a total return basis. The share price fell by 30.2% over the period, also on a total return basis. Over the six months the FTSE All-Share index fell by 22.0% and the MSCI All Country World Index fell by 14.9% in sterling terms.

The year started with a positive outlook for UK markets with a new, stable Government and an end to the Brexit chaos in sight. The COVID-19 pandemic and the subsequent lockdowns of economies in February and March caused the Global economy a massive demand shock and stock markets fell heavily. Governments around the world have intervened on an unprecedented scale and stock markets have recovered from the lows in March, but are likely to remain volatile. At an operational level the Company and Majedie Asset Management (MAM) have adapted to a remote working environment and are functioning well.

Results and Dividends

The Company had a capital loss for the six months to 31 March 2020 of £37.3m including a reduction in value for the Company's holding in MAM of £7.2m to £30.6m. The Directors have amended the basis on which they value MAM following advice from an external advisor. Further details can be found in the section on MAM.

Total income received from investments was £4.0m compared to £4.8m in the six months to 31 March 2019. The dividend received from MAM was £2.9m compared to £3.5m in the 6 months to 31 March 2019 and the income from MAM Funds decreased by £0.2m to £1.1m. Total administration costs and management fees reduced by £0.1m to £0.8m and finance costs were unchanged at £0.8m.

The net revenue return after tax was £3.4m compared to £4.3m in the six months to 31 March 2019.

The Board has declared an interim dividend of 4.4p (2019: 4.4p) which will be paid on 19 June 2020 to shareholders on the register on 5 June 2020.

Asset Allocation

The Company invests through a number of equity investment strategies managed by MAM and retains an equity holding in MAM of 17.2%. The Company has no overall benchmark; rather each Fund has its own benchmark and it is expected that performance will be driven by stock picking at the Fund level. The Company's total assets were £138.0m at 31 March 2020.

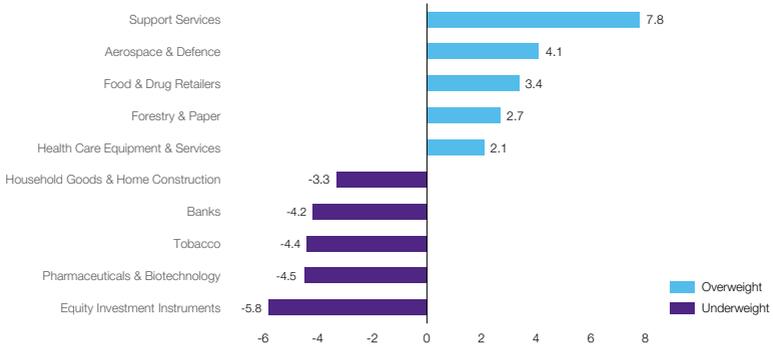
There were no sales of MAM shares over the period. The Company's holding in MAM's Global Focus Fund was redeemed in December 2019 and the proceeds reinvested into the newly launched International Equity Fund. In March 2020, in order to reduce gearing, £10m was raised from the MAM Funds.

MAM Funds and Investment Performance

The UK Equity Fund launched in March 2003. Its objective is to produce a total return in excess of the FTSE All-Share Index over the long term. Since its inception to 31 March 2020 it has returned 9.2% per annum net of fees, with a relative outperformance of 2.2% against its benchmark. The Company's assets are invested in a segregated mandate that is managed *pari passu* to the UK Equity Fund. The funds are invested primarily in UK equities with overseas equities limited to 20%. At 31 March 2020 the Company had an allocation to it of £36.1m, which represents 26.2% of total assets. In the six months to 31 March 2020 the mandate returned -22.9% net of fees, which is an underperformance of 0.9% against its benchmark. At the sector level the largest positive contributors were Aerospace and Defence, Mining (Gold) and Food Retail (all overweight) and the detractors were Pharmaceuticals and Utilities (both underweight) and Media (overweight). At the stock level the largest positive contributors were Barrick Gold, Tesco, QinetiQ (all overweight) and Glencore and Compass (neither held). The largest detractors were AstraZeneca (underweight), BAT and National Grid (neither held) and Pearson and FirstGroup (both overweight).

Chief Executive's Report

The Table below shows the principal overweight and underweight sector positions of the UK Equity Segregated Portfolio at 31 March 2020 relative to the FTSE All-Share Index in %

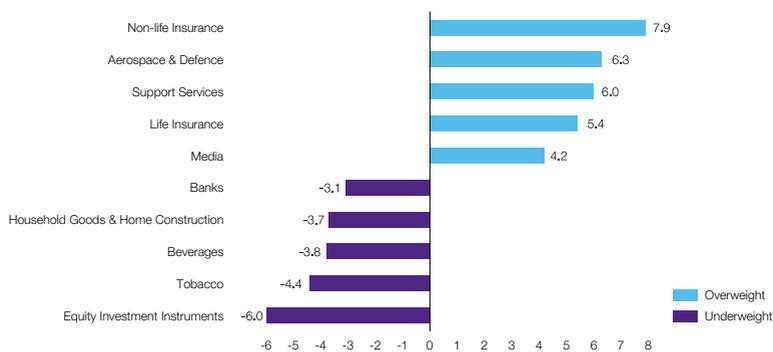


The Table below shows the principal overweight and underweight stock positions of the UK Equity Segregated Portfolio at 31 March 2020 relative to the FTSE All-Share Index in %



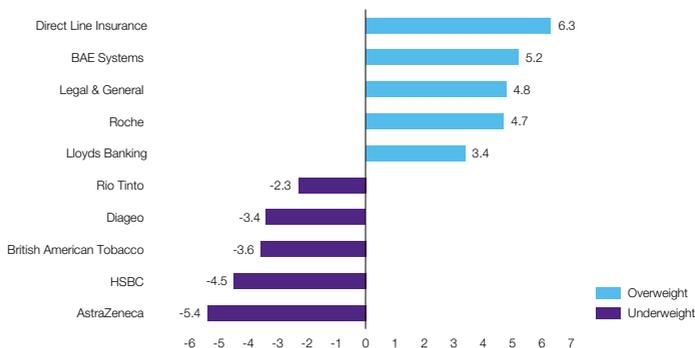
The UK Income Fund launched in December 2011. Its objective is to maintain an attractive yield whilst outperforming the FTSE All-Share Index over the long term, with up to 20% invested in overseas equities. Since inception to 31 March 2020, the UK Income Fund has returned 7.4% per annum net of fees, with a relative outperformance of 2.2% against its benchmark. At 31 March 2020 the Company had an allocation to the UK Income Fund of £9.1m which represents 6.6% of total assets. In the six months to 31 March 2020 the Fund returned -23.1% net of fees, which is an underperformance of 1.1% against its benchmark. The largest positive contributors at a sector level were Personal Goods and Non-life Insurance (both overweight) and Travel and Leisure (underweight). At a stock level the largest positive contributors were Roche, Direct Line, BAE Systems and Domino Pizza (all overweight) and Unilever (underweight). The largest detractors were Meggitt, Lloyds Bank, Pearson and International Consolidated Airlines (all overweight) and AstraZeneca (not owned).

The Table below shows the principal overweight and underweight sector positions of the UK Income Fund at 31 March 2020 relative to the FTSE All-Share Index in %



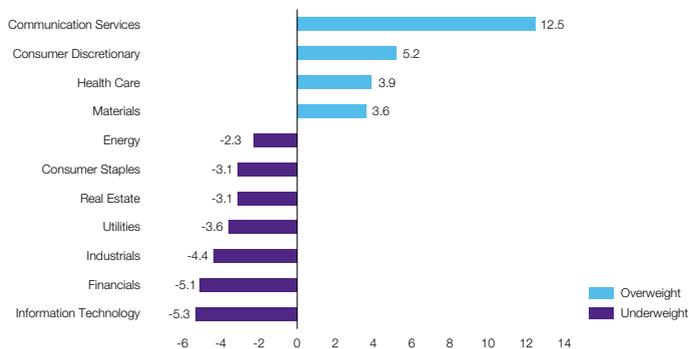
Chief Executive's Report

The Table below shows the principal overweight and underweight stock positions of the UK Income Fund at 31 March 2020 relative to the FTSE All-Share Index in %

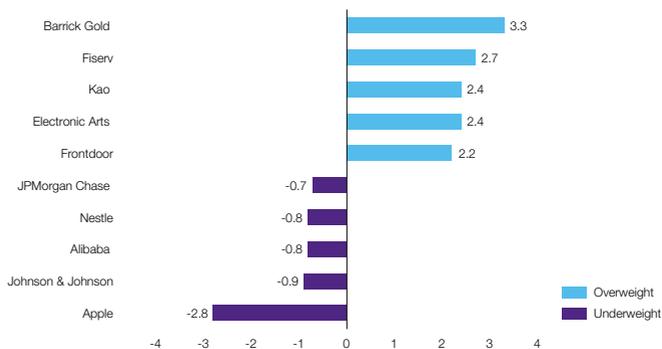


The Global Equity and Global Focus funds launched in June 2014. Their objectives are to provide a total return in excess of the MSCI All Country World Index over the long term through investment in a diversified portfolio (Global Equity Fund) or concentrated portfolio (Global Focus Fund) of global equities including emerging markets. The holding in the Global Focus Fund was sold in December 2019 and the proceeds immediately reinvested in the International Equity Fund at launch. Since inception to 31 March 2020 the Global Equity Fund has returned 9.1% per annum net of fees for the sterling share class, with a relative outperformance of 0.7% per annum against its benchmark. At 31 March 2020 the Company had an allocation of £18.1m to the Global Equity Fund which represents 13.1% of the Company's total assets. In the six months to 31 March 2020 the Fund returned -13.0%, which is an outperformance of 1.8% against its benchmark. At the sector level the largest positive contributors were Mining (Gold) and Interactive Media and Services (both overweight) and Banks (underweight) whilst the detractors were Technology Hardware (underweight) and Airlines and Semiconductors (both overweight). Positive stock contributors were Barrick Gold, Kao, M3, Sartorius Stedim Biotech and Amazon (all overweight), whilst the detractors were Tullow Oil, US Foods, Frontdoor and ON Semiconductor (all overweight) and Apple (underweight).

The Table below shows the principal overweight and underweight sector positions of the Global Equity Fund at 31 March 2020 relative to the MSCI All Country Index in %



The Table below shows the principal overweight and underweight stock positions of the Global Equity Fund at 31 March 2020 relative to the MSCI All Country Index in %



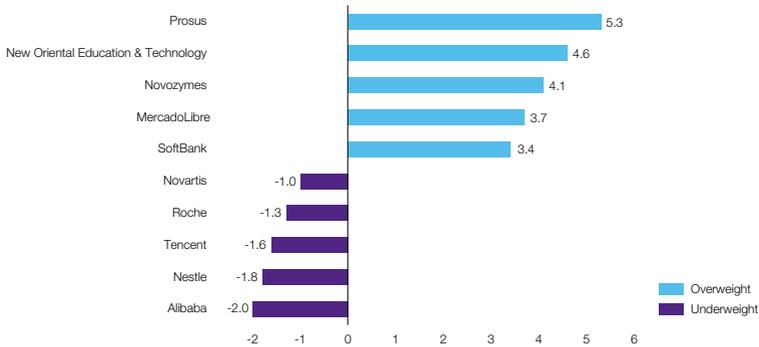
Chief Executive's Report

The International Equity Fund launched in December 2019. The objective of the Fund is to produce a total return in excess of the MSCI All Country ex US Index. Since inception to 31 March 2020 the International Equity Fund has returned -9.7% net of fees, with a relative outperformance of 8.4% against its benchmark. At 31 March 2020 the Company had an allocation to the International Equity Fund of £7.2m which represents 5.2% of total assets. At the sector level the largest positive contributors were Healthcare, Consumer Discretionary, and Materials (all overweight) whilst the detractors were Industrials, Consumer Staples and Utilities (all underweight). Positive stock contributors were Ambu, Prosus, Sartorius Stedim Biotech, Barrick Gold and Novo Nordisk (all overweight), whilst detractors were Copa, Anglo American, Royal Dutch Shell and Creditcorp (all overweight) and Tencent (underweight).

The Table below shows the principal overweight and underweight sector positions of the International Equity Fund at 31 March 2020 relative to the MSCI All Country ex US Index in %



The Table below shows the principal overweight and underweight stock positions of the International Equity Fund at 31 March 2020 relative to the MSCI All Country ex US Index in %



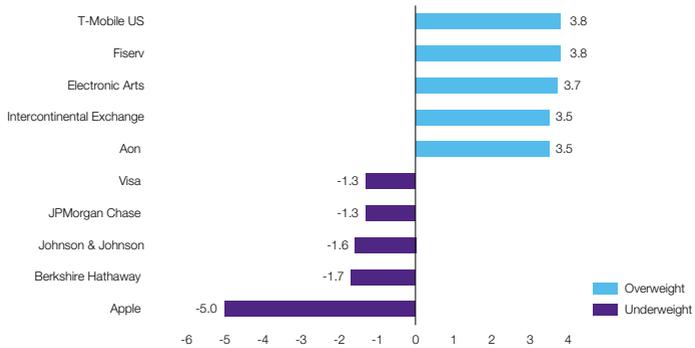
The US Equity Fund was launched in June 2014. Its objective is to produce capital growth over the long term through investment in a diversified portfolio of primarily US equities. Since inception to 31 March 2020 the Fund has returned 11.2% per annum net of fees for the sterling share class, with a relative underperformance of 1.2% against its reference benchmark, the S&P 500 Index. At 31 March 2020 the Company had an allocation of £6.8m to the US Equity Fund which represents 4.9% of total assets. In the six months to 31 March 2020 the US Equity Fund returned -16.4% net of fees, which is an underperformance of 3.3% against its benchmark. At the sector level the largest positive contributors were Banks (underweight) and Wireless Telecoms and Aerospace (both overweight), whilst the detractors were Food Retailing (overweight) and Technology Hardware and Semiconductors (both underweight). Positive stock contributors were T-Mobile US, Microsoft, Electronic Arts and Amazon (all overweight) and Boeing (underweight) whilst the detractors were US Foods, Parsley Energy, Frontdoor, Zimmer Biomet (all overweight) and Apple (underweight).

Chief Executive's Report

The Table below shows the principal overweight and underweight sector positions of the US Equity Fund at 31 March 2020 relative to the S&P 500 Index in %

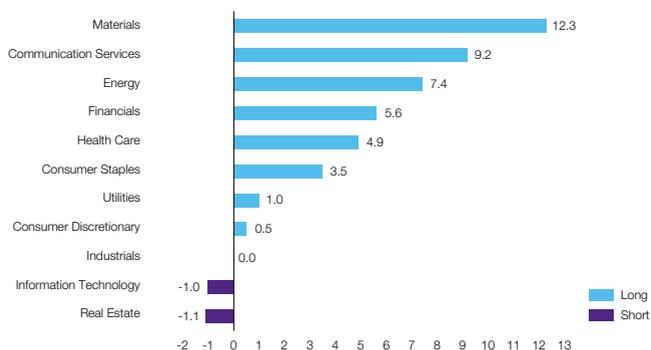


The Table below shows the principal overweight and underweight stock positions of the US Equity Fund at 31 March 2020 relative to the S&P 500 Index in %



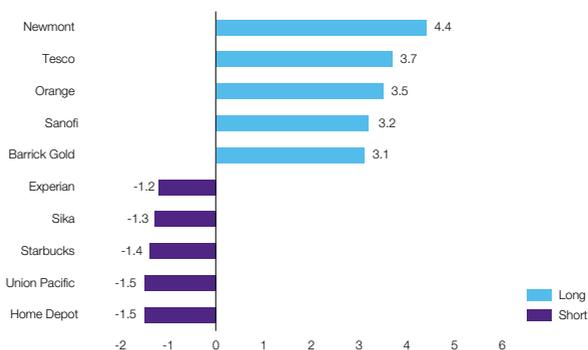
The Tortoise Fund is a global equity absolute return fund which was launched in August 2007. Its objective is to achieve positive absolute returns in all market conditions, over rolling three year periods, with less volatility than conventional long only equity funds, through investing in long and synthetic short positions in equities. Since inception to 31 March 2020 the Fund has returned 3.9% per annum net of fees. At 31 March 2020 the Company had an allocation to the Fund of £19.8m which represents 14.4% of total assets. In the six months to 31 March 2020 the Fund returned -14.5%. At the sector level the positive contributors were Consumer Discretionary and Real Estate (both short) and Consumer Staples (long), whilst the detractors were Energy, Communication Services and Banks (all long). Positive stock contributors were Compass, Hilton, Boeing and CarMax (all short) and Newmont (long) whilst detractors were Tullow Oil, Exxon Mobil, Royal Bank of Scotland, Societe Generale and Centrica (all long).

The Table below shows the principal long and short sector positions of the Tortoise Fund at 31 March 2020 in %.



Chief Executive's Report

The Table below shows the principal long and short stock positions (on a net basis) of the Tortoise Fund at 31 March 2020 in %.



Majedie Asset Management (MAM)

For the last ten years MAM has been valued using a backward looking methodology based on historic earnings. As AUM increased the valuation was deemed to be conservative. However, due to the evolving outlook for the asset management industry, a fall in AUM at MAM and its strategic decision to lower costs for investors by both reducing annual management charges and absorbing all UK OEIC administration costs, a discount has been applied to the formula in the last two years.

The Board, having taken external advice, has decided to adopt a new valuation methodology which, it believes, is a more appropriate basis for valuing the Company's holding in MAM going forward.

The revised basis for valuation annualises the most recent quarterly earnings of MAM, applies a median of a peer group price earnings multiple with an unlisted liquidity discount of 20% (although the Directors may adjust the discount depending on market conditions). Performance fee earnings multiples are further discounted by 50%. Surplus net assets are then added, having deducted 200% of Regulatory Capital.

It is intended that the valuation is updated each quarter and will be announced to the market. The Board believes the new valuation methodology will enhance the disclosure and transparency of the Company's investment in MAM for investors.

In the six months to 31 March 2020 MAM's AUM declined from £10.8bn to £8.1bn, reflecting lower stock market levels and a modest net outflow of funds. The most recent quarter saw a

return to net inflows, including MAM's appointment to manage the Edinburgh Investment Trust PLC.

The revised valuation methodology values the Company's stake at £30.6m, comprised as follows:

Earnings after tax (last 3 months, annualised)	£13.0m
Peer group PE multiple	12.7x
Liquidity discount	20%
Peer group PE multiple after liquidity discount	10.2x
Performance fee earnings after tax	£0.4m
50% of peer group PE multiple	6.4x
50% of peer group PE multiple after liquidity discount	5.1x
Surplus net assets having deducted 200% of Regulatory Capital	£43.7m
Valuation of MAM	£178.2m
Valuation of the Company's 17.2% holding in MAM	£30.6m

Summary and outlook

This first quarter of the financial year was relatively strong for stock markets and in particular the UK, which was emerging from three years of Brexit chaos with a newly elected Government whose mandate was to fiscally pump prime the economy. The low valuation of the UK market was attracting the attention of international asset allocators. It seemed the patience of retaining an overweight UK stance would be rewarded. The chaos of COVID-19 and the resulting lockdowns across the world hit markets hard. The UK market was particularly hard hit for two reasons; its heavy exposure to banks which are now discouraged from paying dividends and secondly the collapse in the oil price as Saudi Arabia and Russia increased supply just as demand was falling heavily. Investors reacted to the chaos by buying the large technology stocks in the US, thereby ensuring the UK market underperformed its Global peers.

Markets have recovered some composure, but the shape of any recovery is difficult to judge. It does seem that in the new investment world good stock picking based on fundamental analysis will come to the fore. This plays to the core strengths of MAM, as shown by good relative performance in previous market dislocations and its distinctive long-term track record.

Chief Executive's Report

Development of Net Asset Value

The chart below outlines the change in the Company's Net Asset Value (debt at par) over the six months ended 31 March 2020. In aggregate, the NAV has decreased by £37.7m, comprised of net investment losses at the MAM Funds, including the UK Equity Segregated Portfolio, of £24.9m, a net write down of the investment in MAM by £7.4m, expenses and interest of £1.6m, share buybacks of £0.1m and dividends paid to shareholders of £3.7m.



Allocation of Total Assets at 31 March 2020

	Value £000s	% of Total Assets
UK Equity Segregated Portfolio	36,094	26.2
UK Income Fund	9,084	6.6
Global Equity Fund	18,096	13.1
International Equity Fund	7,211	5.2
US Equity Fund	6,760	4.9
Tortoise Fund	19,846	14.4
MAM	30,594	22.2
Net cash/realisation portfolio*	10,303	7.4
Total Assets	137,988	100.0

* Net cash and realisation portfolio does not include cash held in the UK Equity Segregated Portfolio or MAM funds.

MAM Fund Performance

	6 months to 31 March 2020			Since MI invested (per annum)		
	% Fund return	% Benchmark return	% Relative performance	% Fund return	% Benchmark return	% Relative performance
UK Equity Segregated Portfolio	(22.9)	(22.0)	(0.9)	(0.4)	1.2	(1.6)
UK Income Fund	(23.1)	(22.0)	(1.1)	1.1	1.8	(0.7)
Global Equity Fund	(13.0)	(14.8)	1.8	9.3	8.4	0.9
International Equity Fund	(9.7)	(18.1)	8.4			
Global Focus Fund				11.7	12.3	(0.6)
US Equity Fund	(16.4)	(13.1)	(3.3)	11.2	12.5	(1.3)
Tortoise Fund	(14.5)			(4.5)		

Notes:

All Fund returns are quoted in Sterling, net of fees.

The initial investment in the UK Equity Segregated Portfolio was made on 22 January 2014.

The initial investment in the UK Income Fund was made on 29 January 2014.

The initial investments in the Global Equity Fund, Global Focus Fund and US Equity Fund were made on 30 June 2014 and 26 June 2014 respectively, at the inception of each fund. The Company is invested in the Sterling share classes.

The initial investment in the Tortoise Fund was made on 29 January 2014.

The Company's investment in the Global Focus Fund was redeemed on 12 December 2019 and the proceeds invested in the International Equity Fund.

William Barlow

Chief Executive

For and on behalf of the Board

26 May 2020

Fund Analysis

at 31 March 2020

Geographic and Sector Analysis at 31 March 2020

	% Europe	% United Kingdom	% Emerging Markets	% Asia Pacific	% North America	% Cash	% Total
Basic Materials	0.1	3.3	1.1		4.6		9.1
Consumer Goods	0.3	3.7	0.1	0.9	1.4		6.4
Consumer Services	1.0	8.7	1.6	0.4	3.6		15.3
Financials	1.3	8.3	0.6	0.4	2.1		12.7
Health Care	4.3	3.6			3.1		11.0
Industrials	0.6	9.6	0.4	0.3	1.9		12.8
Oil & Gas	0.8	4.1			0.6		5.5
Technology	0.4	0.9	2.3		3.5		7.1
Telecommunications	3.4	1.3		0.7	0.5		5.9
Utilities		0.3					0.3
Cash						4.4	4.4
Fixed Income						6.8	6.8
	12.2	43.8	6.1	2.7	21.3	11.2	

Notes:

The assets analysed above are the net exposure of the UK Equity Segregated Portfolio, UK Income Fund, Global Equity Fund, International Equity Fund, the US Equity Fund and Tortoise Fund. The Tortoise Fund, as an absolute return fund, invests through CFDs and the net exposure of the fund is shown in the table. The aggregate of the funds represents a total of 70.4% of the Company's total assets.

Exposures are classified by the stock exchange on which the underlying investment is listed and by the relevant FTSE sector classification.

Twenty Largest Portfolio Holdings

at 31 March 2020

Company	Fair Value £000	% of Total Assets
Majedie Asset Management Limited	30,594	22.2%
Tesco PLC	2,973	2.2%
Barrick Gold Corporation	2,596	1.9%
GlaxoSmithKline plc	2,174	1.6%
Royal Dutch Shell Plc	2,153	1.6%
BP Plc	1,772	1.3%
BAE Systems plc	1,734	1.3%
Orange SA	1,617	1.2%
Unilever PLC	1,424	1.0%
Mondi plc	1,381	1.0%
Amazon.com Inc	1,308	0.9%
Electrocomponents plc	1,295	0.9%
Direct Line Insurance Group Plc	1,233	0.9%
Royal KPN NV	1,228	0.9%
Legal & General Group Plc	1,212	0.9%
Newmont Corporation	1,197	0.9%
Associated British Foods plc	1,126	0.8%
3i Group plc	1,054	0.8%
Alphabet Inc.	987	0.7%
Microsoft Corporation	940	0.7%
Total	59,998	43.7%

The assets analysed above show the Company's largest twenty holdings on a look through basis across all MAM Funds.

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chief Executive's Report on pages 4 to 17. This Half-Yearly Financial Report has not been audited or reviewed by the Company's auditor.

The financial statements continue to be prepared on a going concern basis. The approach used for the Annual Report is applied, giving proper consideration to financial and cashflow forecasts, including any COVID-19 impacts, and it is believed that the Company has adequate financial resources to continue to operate for the foreseeable future.

The principal risks facing the Company remain unchanged since the date of the Annual Report for the year ended 30 September 2019, as set out in the Business Review section of the Strategic Report (pages 20 to 21). COVID-19 has introduced heightened uncertainty in global equity markets, both economically and politically, and the impact on the Company is set out in the Chief Executive's Report. The Company and its service providers have implemented Business Continuity Plans and operations and service levels have been maintained. Risks faced by the Company include, but are not limited to, market risk, discount volatility, compliance risk (including non-compliance with Section 1158 of the Corporation Tax Act 2010), operational risk and financial risk.

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

In accordance with the Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R, we confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure Guidance and Transparency Rule 4.2.4R, and gives a true and fair view of the assets, liabilities and financial position of the Company;
- (b) the Chief Executive's Report includes a fair review of the information required to be disclosed under the Disclosure Guidance and Transparency Rule 4.2.7R, interim management report. This includes (i) 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 presented in the Half-Yearly Financial Report and (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (c) there were no changes in the transactions or arrangements with related parties as described in the Annual Report for the year ended 30 September 2019 that would have had a material effect on the financial position or performance of the Company in the first six months of the current financial year.

David Henderson

Chairman

For and on behalf of the Board

26 May 2020

Condensed Statement of Comprehensive Income

for the half year ended 31 March 2020

				Half year ended 31 March 2020		
				(unaudited)		
				Revenue	Capital	Total
				return	return	
				£'000	£'000	£'000
Notes						
	Investments					
	Losses on investments at fair value through profit or loss				(36,287)	(36,287)
	Net investment result				(36,287)	(36,287)
	Income					
	Income from investments	2	3,981			3,981
	Other income	2	55			55
	Total income		4,036			4,036
	Management fees		(41)	(122)		(163)
	Administration expenses		(350)	(324)		(674)
	Return/(loss) before finance costs and taxation		3,645	(36,733)		(33,088)
	Finance costs		(190)	(571)		(761)
	Net return/(loss) before taxation		3,455	(37,304)		(33,849)
	Taxation	3	(7)			(7)
	Net return/(loss) after taxation for the period		3,448	(37,304)		(33,856)
	Return per ordinary share:		pence	pence		pence
	Basic	4	6.5	(70.4)		(63.9)

The total column of this statement is the Statement of Comprehensive Income of the Company, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies (AIC).

See notes 1 to 16.

Half year ended 31 March 2019		
(unaudited)		
Revenue return £'000	Capital return £'000	Total £'000
	(10,805)	(10,805)
	(10,805)	(10,805)
4,805		4,805
33	4	37
4,838	4	4,842
(46)	(138)	(184)
(327)	(340)	(667)
4,465	(11,279)	(6,814)
(190)	(571)	(761)
4,275	(11,850)	(7,575)
(10)		(10)
4,265	(11,850)	(7,585)
pence	pence	pence
8.0	(22.2)	(14.2)

Year ended 30 September 2019		
(audited)		
Revenue return £'000	Capital return £'000	Total £'000
	(21,342)	(21,342)
	(21,342)	(21,342)
7,995		7,995
54	4	58
8,049	4	8,053
(94)	(279)	(373)
(663)	(655)	(1,318)
7,292	(22,272)	(14,980)
(381)	(1,142)	(1,523)
6,911	(23,414)	(16,503)
(22)		(22)
6,889	(23,414)	(16,525)
pence	pence	pence
12.9	(43.9)	(31.0)

Condensed Statement of Changes in Equity

for the half year ended 31 March 2020

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000
Half year ended 31 March 2020				
(unaudited)				
30 September 2019		5,305	3,054	95
Net return/(loss) after taxation for the period				
Share buybacks for cancellation	12	(2)		2
Dividends declared and paid in period	6			
31 March 2020		5,303	3,054	97
Half year ended 31 March 2019				
(unaudited)				
30 September 2018		5,344	3,054	56
Net return/(loss) after taxation for the period				
Share buybacks for cancellation	12	(1)		1
Dividends declared and paid in period	6			
31 March 2019		5,343	3,054	57
Year ended 30 September 2019				
(audited)				
30 September 2018		5,344	3,054	56
Net return/(loss) after taxation for the period				
Share buybacks for cancellation	12	(39)		39
Dividends declared and paid in period	6			
30 September 2019		5,305	3,054	95

Capital reserve £'000	Retained earnings £'000	Total £'000
120,046	26,574	155,074
(37,304)	3,448	(33,856)
(66)		(66)
	(3,713)	(3,713)
<u>82,676</u>	<u>26,309</u>	<u>117,439</u>

144,395	25,777	178,626
(11,850)	4,265	(7,585)
(10)		(10)
	(3,741)	(3,741)
<u>132,535</u>	<u>26,301</u>	<u>167,290</u>

144,395	25,777	178,626
(23,414)	6,889	(16,525)
(935)		(935)
	(6,092)	(6,092)
<u>120,046</u>	<u>26,574</u>	<u>155,074</u>

Condensed Balance Sheet

at 31 March 2020

		31 March 2020 (unaudited) £'000	31 March 2019 (unaudited) £'000	30 September 2019 (audited) £'000
	Notes			
Non-current assets				
Property and equipment		14	30	21
Investments at fair value through profit or loss	7,8	126,422	184,984	172,914
		126,436	185,014	172,935
Current assets				
Trade and other receivables		503	475	389
Cash and cash equivalents		12,228	3,441	3,398
		12,731	3,916	3,787
Total assets		139,167	188,930	176,722
Current liabilities				
Trade and other payables		(1,170)	(1,104)	(1,101)
Total assets less current liabilities		137,997	187,826	175,621
Non-current liabilities				
Debentures	14	(20,558)	(20,536)	(20,547)
Total liabilities		(21,728)	(21,640)	(21,648)
Net assets		117,439	167,290	155,074

	31 March 2020 (unaudited) £'000	31 March 2019 (unaudited) £'000	30 September 2019 (audited) £'000
Notes			
Represented by:			
Ordinary share capital	12 5,303	5,343	5,305
Share premium account	3,054	3,054	3,054
Capital redemption reserve	97	57	95
Capital reserve	82,676	132,535	120,046
Revenue reserve	26,309	26,301	26,574
Equity Shareholders' Funds	117,439	167,290	155,074
Net asset value per share	pence	pence	pence
Basic	221.5	313.1	292.3

Condensed Cash Flow Statement

for the half year ended 31 March 2020

		Half year ended 31 March 2020 (unaudited) £'000	Half year ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Net cash inflow from operating activities	Notes 13	13,360	4,453	8,447
Investing activities				
Purchase of tangible assets		(1)	(4)	(4)
Net cash outflow from investing activities		(1)	(4)	(4)
Financing activities				
Interest paid		(750)	(750)	(1,501)
Dividends paid		(3,713)	(3,741)	(6,092)
Share buybacks for cancellation	Notes 12	(66)		(935)
Net cash outflow from financing activities		(4,529)	(4,491)	(8,528)
Increase/(decrease) in cash and cash equivalents for the period		8,830	(42)	(85)
Cash and cash equivalents at start of period		3,398	3,483	3,483
Cash and cash equivalents at end of period		12,228	3,441	3,398

Notes to the Accounts

as at 31 March 2020

1. Accounting Policies

The Condensed Financial Statements on pages 22 to 28 comprise the unaudited results of the Company for the six months to 31 March 2020 and are presented in pounds sterling, as this is the functional currency of the Company.

The Condensed Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all financial information required for full financial statements. The Condensed Financial Statements have been prepared using the accounting policies adopted in the audited financial statements for the year ended 30 September 2019.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 30 September 2019. Since 1 October 2019, IFRS 16 Leases; has been adopted by the Company. As was detailed in the Company’s financial statements for the year ended 30 September 2019, the adoption of IFRS 16 has had no material impact on the Company’s financial performance or position.

Notes to the Accounts

as at 31 March 2020

2. Income

	Half year ended 31 March 2020 £'000	Half year ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Income from investments			
Dividend income*	3,809	4,571	7,409
Accumulation dividend income	119	170	435
Overseas dividend income	53	64	151
	3,981	4,805	7,995
Other income			
Interest income		2	2
Sundry income	55	35	56
	55	37	58
Total income	4,036	4,842	8,053
Income from investments			
Listed UK	652	815	2,070
Listed overseas	53	64	151
Unlisted – MAM Funds	400	475	1,172
Unlisted	2,876	3,451	4,602
	3,981	4,805	7,995

* Includes MAM dividend income of £2,876,000 (half year to 31 March 2019: £3,451,000 and the year ended 30 September 2019: £4,602,000) and Property Income Distribution (PID) dividend income of £12,000 (half year to 31 March 2019: £20,000 and the year ended 30 September 2019: £24,000).

3. Taxation

The charge for the half year to 31 March 2020 is £7,000 (half year to 31 March 2019: £10,000; year ended 30 September 2019: £22,000). These amounts represent irrecoverable withholding tax paid on overseas investment income.

The Company has an effective corporation tax rate of 0%. As investment gains are exempt from tax owing to the Company's status as an approved Investment Trust, and as there is currently an excess of management expenses over taxable income, there is no charge for corporation tax.

4. Calculation of returns per ordinary share

Basic returns per ordinary share in each period are based on the return on ordinary activities after taxation attributable to equity shareholders. Basic return per ordinary share for the period is based on 53,035,310 shares (half year ended 31 March 2019: 53,438,956 shares, and the year ended 30 September 2019: 53,332,302), being the weighted average number of shares in issue.

5. Business segments

For management purposes the Company is organised into one principal activity, being investing activities, as described below:

Investing activities

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term. The Company operates as an investment trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 18.

Notes to the Accounts

as at 31 March 2020

6. Dividends

In accordance with IAS 10: Events After the Balance Sheet Date, interim dividends are not accounted for until paid. The following table summarises the amounts recognised as distributions to equity holders in the relevant period:

	Half year ended 31 March 2020 £'000	Half year ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
2019 Final dividend of 7.00p paid on 28 January 2020	3,713		
2019 Interim dividend of 4.40p paid on 14 June 2019			2,351
2018 Final dividend of 7.00p paid on 23 January 2019		3,741	3,741
	3,713	3,741	6,092

Distributable reserves of the Company comprise the Capital and Revenue Reserves.

Dividends for the half year ended 31 March 2020 (and for the half year ended 31 March 2019 and the year ended 30 September 2019) have been solely made from the Revenue Reserve.

7. Investments

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price for listed securities, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or open ended investment companies are valued at the closing price, the bid price or the single price as appropriate, released by the relevant fund administrator.

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV). These may include recent arm's length market transactions, the current fair value of another instrument which has substantially the same earnings multiples, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

8. Fair Value Hierarchy

Except for the Company's 7.25% 2025 Debenture Stock, which is measured at amortised cost under the effective interest rate method, financial assets and liabilities of the Company (re investments) are carried in the Balance Sheet at their fair value. Additionally the balance sheet amount is a reasonable approximation of fair value (re amounts in respect of sales for future settlement, dividends receivable, cash at bank, and purchases for future settlement). The fair value is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than a forced or liquidation sale.

Notes to the Accounts

as at 31 March 2020

8. Fair Value Hierarchy continued

The table below sets out fair value measurements of financial assets in accordance with the IFRS 13 fair value hierarchy:

Financial assets	Half year ended 31 March 2020			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	32,555			32,555
Unlisted equity securities (MAM Funds)		63,235		63,235
Unlisted equity securities			30,632	30,632
	32,555	63,235	30,632	126,422

Financial assets	Half year ended 31 March 2019			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	48,338			48,338
Unlisted equity securities (MAM Funds)		84,203		84,203
Unlisted equity securities			52,443	52,443
	48,338	84,203	52,443	184,984

8. Fair Value Hierarchy continued

Financial assets	Year ended 30 September 2019			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	48,389			48,389
Unlisted equity securities (MAM Funds)		83,639		83,639
Unlisted equity securities			40,886	40,886
	<u>48,389</u>	<u>83,639</u>	<u>40,886</u>	<u>172,914</u>

There have been no transfers during the period between Levels 1 and 2, and 3.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments in normal market conditions (although it may invoke its fair value pricing policy in times of market disruption – this was not the case for 31 March 2020, 31 March 2019 or 30 September 2019).

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 as Level 2. As Level 2 instruments 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 (the MAM funds are priced daily, remain highly liquid and are not subject to any such adjustments).

Notes to the Accounts

as at 31 March 2020

8. Fair Value Hierarchy continued

Instruments classified within Level 3 have significant unobservable inputs. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive 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 IPEV Valuation Guidelines. These include valuing investments at the price of the most recent investment in the investee. These prices are reviewed to check if they are still suitable for use at the reporting date. If required, any such prices will be discounted to reflect changes in the investee subsequent to the relevant most recent investment price date. This is in accordance with IPEV Guidelines as the cost of recent investments will generally provide a good indication of fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's current level 3 classified investments comprise certain individually immaterial unlisted investments, which total in aggregate £38,000, and the investment in MAM valued at £30,594,000. The Board, having taken external advice, has decided to adopt a new valuation methodology which, it believes, better reflects the recent trading performance of MAM and is a more appropriate basis for valuing the Company's holding in MAM going forward. The revised basis for valuation annualises the most recent quarterly earnings of MAM, applies a median of a peer group price earnings multiple with a liquidity discount of 20% (although the Directors may adjust the discount depending on market conditions). Performance fee earnings multiples are further discounted by 50%. Surplus cash is then added having deducted 200% of Regulatory Capital. Further details are in the Chief Executive's Report. The significant input in assessing the price is the earnings of MAM and a 5.0% increase/decrease in MAM's earnings would result in an increase/decrease of 4.0% in the carrying value of MAM.

The table below sets out the movement in Level 3 instruments for the period:

	31 March 2020	
	Total	Equity
	£000	investments £000
Opening balance	40,886	40,886
Total net loss for the period included in the Condensed Statement of Comprehensive Income	(10,254)	(10,254)
	30,632	30,632

8. Fair Value Hierarchy continued

The fair value of the Company's debenture stock is calculated using a standard present value methodology and by reference to the market yields of a comparable UK Treasury Bond instrument with a 2.50% risk premium being added.

	Half year ended 31 March 2020		Half year ended 31 March 2019		Year ended 30 September 2019	
	Book Value £000	Fair Value £000	Book Value £000	Fair Value £000	Book Value £000	Fair Value £000
Financial liabilities						
£20.7m (2019: £20.7m) 7.25% 2025 debenture stock	20,558	25,094	20,536	25,172	20,547	25,415
	20,558	25,094	20,536	25,172	20,547	25,415

The above financial liabilities would be classified as Level 2 financial instruments in the IFRS 13 Fair Value Hierarchy.

9. Principal financial risks

The principal risks which the Company faces include exposure to:

- Market risk
- Foreign currency risk
- Interest rate risk
- Other price risk
- Credit risk
- Liquidity risk

Further details of the Company's management of these risks and the exposure to them are set out in Note 22 of the Company's Annual Report for the year ended 30 September 2019, as issued on 10 December 2019. There have been no changes to the management of these risks since that date.

Notes to the Accounts

as at 31 March 2020

10. Majedie Asset Management Limited (MAM)

As at 31 March 2020, the Company had a 17.2% equity shareholding in MAM, which provides investment management and advisory services across a range of UK and global equity strategies.

The carrying value of the investment in MAM is included in the Condensed Balance Sheet as part of investments at fair value through profit or loss:

	31 March 2020 £'000	31 March 2019 £'000	30 September 2019 £'000
Cost of investment	540	540	540
Holding gains	30,054	51,806	40,301
Fair value at period end	30,594	52,346	40,841

The carrying value of MAM in the 31 March 2020 Condensed Financial Statements is its fair value as assessed by the Audit Committee and approved by the Board as at that date.

11. Net Asset Value

The net asset value per share has been calculated based on Equity Shareholders' Funds and on 53,027,638 (31 March 2019: 53,435,000 and 30 September 2019: 53,055,483) ordinary shares, being the number of shares in issue at the relevant period end.

12. Share capital

	Half year ended 31 March 2020	Half year ended 31 March 2019	Year ended 30 September 2019
Opening balance	53,055,483	53,439,000	53,439,000
Shares purchased for cancellation	(27,845)	(4,000)	(383,517)
Closing balance	53,027,638	53,435,000	53,055,483

Share buybacks are debited against the Capital Reserve in accordance with the Company's articles.

13. Reconciliation of Operating Profit to Operating Cash Flow

	Half year ended 31 March 2020 £'000	Half year ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Net loss before taxation	(33,849)	(7,575)	(16,503)
Adjustments for:			
Losses on investments	36,287	10,805	21,342
Accumulation dividends	(119)	(170)	(435)
Depreciation	6	12	20
Foreign exchange losses		1	4
Purchases of investments	(23,233)	(3,975)	(10,574)
Sales of investments	33,534	4,697	13,069
	12,626	3,795	6,923
Finance costs	761	761	1,523
Operating cash flows before movements in working capital	13,387	4,556	8,446
Increase/(decrease) in trade and other payables	(34)	19	30
(Increase)/decrease in trade and other receivables	10	(102)	12
Net cash flow from operating activities before tax	13,363	4,473	8,488
Tax recovered	8		
Tax on overseas dividends	(11)	(20)	(41)
Net cash inflow from operating activities	13,360	4,453	8,447

Notes to the Accounts

as at 31 March 2020

14. Reconciliation of changes in liabilities arising from financing activities

	30 September 2019 £000	Cash flows £000	Amortisation of expenses (non cash) £000	31 March 2020 £000
Long term borrowings				
£20.7m 7.25% 2025 debenture stock	20,547		11	20,558
Interest payable		(750)	750	
Total liabilities from financing activities	20,547	(750)	761	20,558

	30 September 2018 £000	Cash flows £000	Amortisation of expenses (non cash) £000	31 March 2019 £000
Long term borrowings				
£20.7m 7.25% 2025 debenture stock	20,525		11	20,536
Interest payable		(750)	750	
Total liabilities from financing activities	20,525	(750)	761	20,536

	30 September 2018 £000	Cash flows £000	Amortisation of expenses (non cash) £000	30 September 2019 £000
Long term borrowings				
£20.7m 7.25% 2025 debenture stock	20,525		22	20,547
Interest payable		(1,501)	1,501	
Total liabilities from financing activities	20,525	(1,501)	1,523	20,547

15. Related Party Transactions

Majedie Asset Management (MAM)

MAM is the Company's Investment Manager providing investment management services under an Investment Agreement. The agreement provides for MAM to manage the Company's investment assets on both a segregated portfolio basis and also by investments into various MAM collective investment vehicles or funds. Details of the Investment Agreement are contained in the material contracts section of the Directors' Report in the Company's Annual Report for the year ended 30 September 2019. As Investment Manager, MAM is entitled to receive investment management fees. In respect of the Segregated Portfolio these are charged directly to the Company and are shown as an expense in its accounts. Any management fees due in respect of the investments made into any MAM funds are charged in the fund and are therefore included as part of the investment value of the relevant holding. MAM is also entitled to performance fees in respect of the investment in the MAM Tortoise fund. The fees crystallise annually on 30 September and are calculated and charged against each individual investor. As such these are also shown as an expense in the Company's accounts and are charged wholly to capital. Details concerning the Company's investments in the period in the MAM funds are shown in the Chief Executive's Report on pages 5 to 14.

In addition to the above, the Company retains an investment in MAM itself. Mr JWM Barlow is a non-executive director of MAM but receives no remuneration for this role. MAM is accounted for as an investment in the Company accounts and is valued at fair value through profit or loss. Details concerning the Company's investment in MAM are included in the Chief Executive's Report on page 14 and 15.

Notes to the Accounts

as at 31 March 2020

15. Related Party Transactions *continued*

The table below discloses the transactions and balances between those entities:

	Half year ended 31 March 2020 £'000	Half year ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Transactions during the period:			
Dividend income received from MAM	2,876	3,451	4,602
Management fee income due to MAM (Segregated Portfolio only)	163	184	373
Balances outstanding at the period end:			
Between the Company and MAM (Segregated Portfolio investment management fees)	75	93	93
Value of the Company's investment in MAM	30,594	52,346	40,841

Transactions between related party companies during the period were made on terms equivalent to those that occur in arm's length transactions.

16. Financial Information

The financial information contained in this Half-Yearly Financial Report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the year ended 30 September 2019 has been extracted from the latest published audited accounts. Those accounts have been filed with the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. Those statutory accounts were prepared in accordance with IFRS, as adopted by the European Union.

Company Information

Board of Directors

R D C Henderson, Chairman

P D Gadd

J M Lewis

J W M Barlow (Executive)

A M J Little

All Directors are non-executive unless indicated

Registered Office

1 King's Arms Yard

London EC2R 7AF

Telephone: 020 7382 8170

E-mail: majedie@majedieinvestments.com

Registered number: 109305 England

Company Secretary

Link Company Matters Limited

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

Investment Manager

Majedie Asset Management Limited

10 Old Bailey

London EC4M 7NG

Telephone: 020 7618 3900

E-mail: info@majedie.com

Solicitor

Dickson Minto W.S.

16 Charlotte Square

Edinburgh EH2 4DF

Website

www.majedieinvestments.com

Depository

The Bank of New York Mellon

(International) Limited

1 Canada Square

London E14 5AL

The Depository acts as global custodian and may delegate safekeeping to one or more global sub-custodians. The Depository has delegated safe keeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon.

AIFM

Majedie Investments PLC

Registrars

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS99 6ZZ

Telephone: 0370 707 1159

Auditors

Ernst & Young LLP

25 Churchill Place

Canary Wharf

London E14 5EY

Stockbrokers

J.P. Morgan Cazenove

25 Bank Street

London E14 5JP

Company Information

Financial Calendar

Year end	30 September
Annual results	December
Half year results	May
Annual General Meeting	January
Dividends paid	January and June

2020 Interim Dividend Timetable

The interim dividend for the period ended 31 March 2020 is 4.4p per share.

Ex-dividend date	4 June
Record date	5 June
Payment date	19 June

