



2021

Majedie Investments PLC
Half-Yearly Financial Report

31 March 2021

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Financial Highlights

	Half Year ended 31 March 2021
Total shareholder return (including dividends):	+38.0%
Net asset value (NAV) total return (debt at par including dividends):	+15.9%
NAV total return (debt at fair value including dividends):	+17.1%
NAV per share (debt at par value):	280.2p
NAV per share (debt at fair value):	273.3p
Revenue Return per share:	5.9p
Interim Dividend:	4.4p
Directors' valuation of investment in Majedie Asset Management Limited:	£25.3m
Total assets*:	£169.3m

* 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 2021 the NAV at par and the NAV at FV (net asset value with debt at par and at fair value) rose by 15.9% and 17.1% respectively, on a total return basis. The share price rose by 38.0% over the period, also on a total return basis. Over the six months the FTSE All-Share index rose by 18.5% and the MSCI All Country Index rose by 12.4% in sterling terms.

Stock markets, having consolidated their recovery from the March 2020 lows, rallied strongly following the announcement of successful vaccine trials in November 2020 and continued into 2021 as the vaccine programme was rolled out. Market leadership shifted away from Technology and Growth stocks which had dominated the market as beneficiaries of lockdowns and low interest rates. Markets were led by more cyclical areas of the market which had been overlooked as investors focussed on companies that will benefit from economies opening up. Ongoing fiscal and monetary measures globally have also helped restore confidence to equity markets. It is encouraging that all the Majedie Asset Management Funds, in which the Company is invested at 31 March 2021, have outperformed their respective index benchmarks.

However, the Company has been informed by Majedie Asset Management (MAM) that it has received notification that St. James's Place has taken the decision to move to a more style specific investment approach. Therefore, after ten years as client, they have decided to remove their segregated mandates from MAM. The Company remains confident in the flexible investment style of MAM that has generated excellent performance over the long term and particularly over the last twelve months across its fund range. The MAM valuation set out later in this report fully reflects the impact on management fees that will result from the reduction in assets under management from £8.0bn to £6.4bn.

Results and Dividends

The Company had a capital gain for the six months to 31 March 2021 of £17.8m despite a reduction in value for the Company's holding in MAM from £31.0m to £25.3m, excluding dividends received.

Total income received from investments was £3.7m compared to £4.0m in the six months to 31 March 2020. The dividend received from MAM was £2.9m, the same as in the six months to 31 March 2020 while the income from the MAM Funds decreased by £0.3m. Total administration and management fees were unchanged at £0.8m and finance costs of £0.8m were also unchanged.

The net revenue return after tax was £3.1m compared to £3.4m in the six months to 31 March 2020.

The Board has declared an interim dividend of 4.4p (2020: 4.4p) which will be paid on 18 June 2021 to shareholders on the register on 4 June 2021.

Asset Allocation

The Company invests through a number of equity investment strategies, across all geographies, managed by MAM, the highly regarded boutique fund manager that the Company seeded in 2003. It 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 generated by stock picking at the fund level. The monthly factsheets of the relevant MAM Funds can be found on the Company's website together with the monthly factsheets of the Company itself which show the allocation between the funds and the top twenty holdings on a look through basis. The Company's total assets at 31 March 2021 were £169.3m as defined on page 1.

There were no sales of MAM shares over the period. In the six months to 31 March 2021, in order to consolidate the Company's asset allocation, the board took the decision to redeem its holdings in the UK Income Fund and US Equity Fund and reinvested the proceeds into the UK Equity Segregated Portfolio and Global Equity Fund respectively. The reallocation has reduced the allocation to the US equity market and increased the exposure to Emerging Markets. The UK equity exposure is broadly unchanged.

Allocation of Total Assets at 31 March 2021

	Value £000s	% of Total Assets
UK Equity Segregated Portfolio	61,469	36.3
Global Equity Fund	42,664	25.2
International Equity Fund	13,473	8.0
Tortoise Fund	22,726	13.4
MAM	25,310	14.9
Net cash/realisation portfolio*	3,697	2.2
Total Assets	169,339	100.0

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

Chief Executive's Report

Investment Performance

It is particularly heartening that all funds in which the Company was invested, at 31 March 2021, have outperformed their respective benchmarks in the last six months as well as over the last year, given the volatility of markets and style rotation. It is a sound endorsement of MAM's flexible investment process built on fundamental analysis rather than more binary style processes. The Company's underlying portfolio is diverse and includes many different investment themes.

The Tortoise Fund, in particular, after a slow few years, has navigated recent market conditions extremely well. Having recognised the undervaluation of cyclical companies in the summer of 2020 it ran a significant net long position whilst retaining a low gross exposure to manage overall risk. In recent months to protect the downside the managers have taken out short futures positions on the S&P 500 and NASDAQ 100 indices.

	6 months to 31 March 2021			Since MI invested (per annum)		
	% Fund return	% Benchmark return	% Relative performance	% Fund return	% Benchmark return	% Relative performance
UK Equity Segregated Portfolio	18.7	18.5	0.2	3.6	4.4	(0.8)
UK Income Fund	16.3	17.4	(1.1)	3.5	4.3	(0.8)
Global Equity Fund	19.5	12.4	7.1	14.9	12.5	2.4
International Equity Fund	16.8	13.4	3.4	29.1	8.3	20.8
US Equity Fund	8.5	4.7	3.8	14.4	15.5	(1.1)
Tortoise Fund	41.5			2.7		

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 and the total investment was redeemed on 6 January 2021. The funds were transferred to the UK Equity Segregated Portfolio.

The initial investment in the Global Equity Fund was made on 30 June 2014.

The initial investment in the International Equity Fund was made on 12 December 2019.

The initial investment in the US Equity Fund was made on 27 June 2014 and the total investment was redeemed on 3 December 2020. The Funds were transferred to the Global Equity Fund.

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

Majedie Asset Management

The Company, having taken external advice has adopted a valuation policy for its holding in MAM that annualises the most recent quarterly earnings of MAM and applies the median peer group price earnings multiple with an unlisted liquidity discount of 20% which the Directors may adjust to reflect market conditions. Performance fee multiples are further discounted by 50%. Surplus net assets are then added after deducting 200% of Regulatory Capital.

In the six months to 31 March 2021 MAM's AUM declined from £8.1bn to £8.0bn, reflecting higher markets but a net outflow of funds. The outflow of funds is mainly due ongoing derisking by defined benefit pension schemes.

In order to reflect the recent notification of a future outflow of funds from St James's Place, the Board believe it to be prudent to recognise the future reduction in management fees in the valuation of the Company's holding in MAM at 31 March 2021.

The valuation methodology is as follows-:

	3 months to 31 December 2020	3 months to 31 March including subsequent outflows
Earnings after tax (last 3 months, annualised)	£11.7m	£8.3m*
Peer group median PE multiple	15.4	14.7
Liquidity discount	20%	20%
Peer Group PE median multiple after liquidity discount	12.3	11.8
Performance fee earnings after tax (12 month rolling)	£2.0m	£2.2m
50% of peer group median PE multiple	7.7	7.4
50% of peer group median PE multiple after liquidity discount	6.2	5.9
Surplus net assets having deducted 200% of Regulatory Capital	£33.4m	£36.4m
Valuation of MAM	£189.7m	£147.3m
Valuation of the Company's 17.2% holding in MAM	£32.6m	£25.3m

* adjusted to reflect the notified outflow by St James's Place

Chief Executive's Report

Development of Net Asset Value

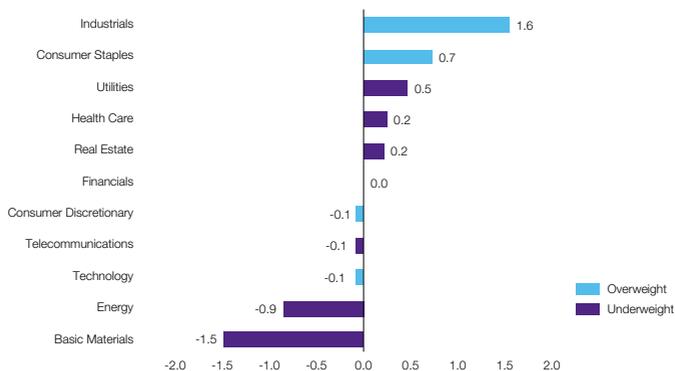
The chart below outlines the change in the Company's Net Asset Value (debt at par) over the six months ended 31 March 2021. In aggregate, the NAV has increased by £17.2m, comprised of net investment gains at the MAM funds, including the UK Equity Segregated Portfolio, of £25.3m, a net write-down of the investment in MAM by £2.8m, expenses and interest of £1.6m and dividends paid to shareholders of £3.7m.



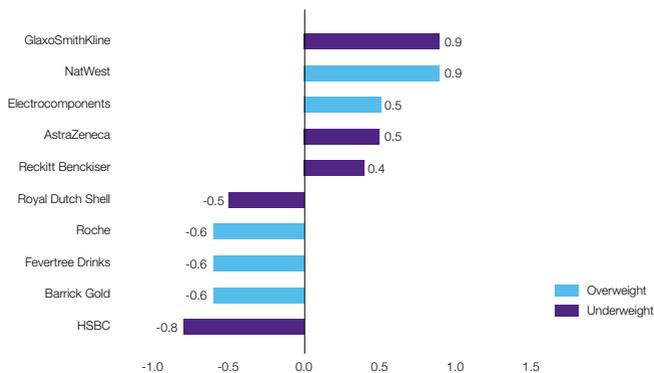
MAM Funds

The UK Equity Fund launched in March 2003. Its objective is to produce a total return in excess of the FTSE All-Share Index after costs over any five year period through a diversified portfolio of predominantly UK Equities with the flexibility to invest up to 20% of assets in shares listed outside the UK and incorporating a dedicated investment in smaller companies. Since its inception to 31 March 2021 it has returned 10.4% per annum net of fees, with a relative outperformance of 2.4% against its benchmark. The Company's assets are invested in a segregated portfolio which is managed pari passu to the UK Equity Fund.

The most significant positive and negative sector contributors to the relative performance of the UK Equity Segregated Portfolio for the six months to 31 March 2021, in %

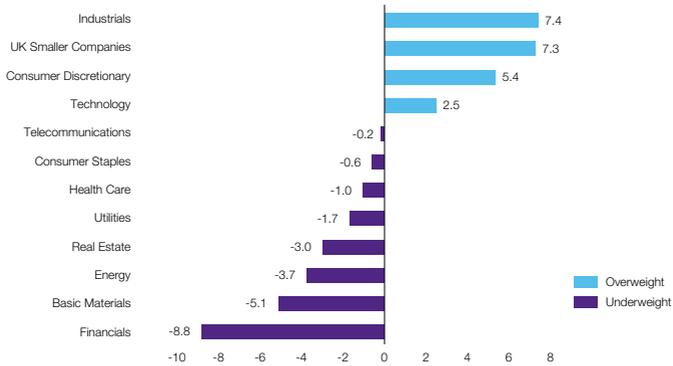


The most significant positive and negative stock contributors to the relative performance of the UK Equity Segregated Portfolio for the six months to 31 March 2021, in %



Chief Executive's Report

The table below shows the principal overweight and underweight sector positions of the UK Equity Segregated Portfolio at 31 March 2021 relative to the FTSE All-Share Index, in %

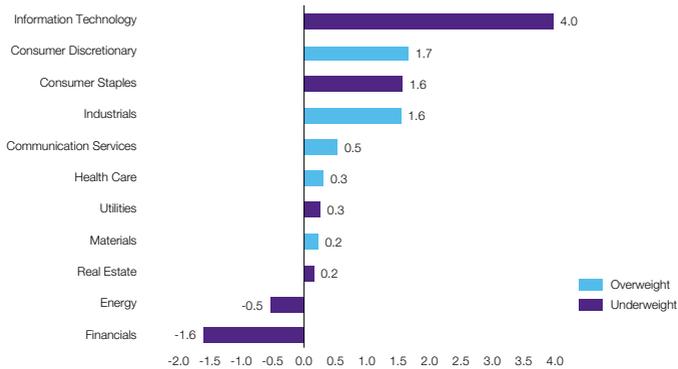


The table below shows the principal overweight and underweight stock positions of the UK Equity Segregated Portfolio at 31 March 2021 relative to the FTSE All-Share Index, in %

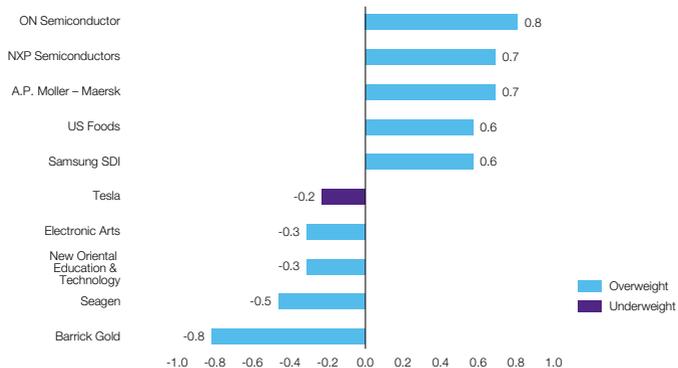


The Global Equity Fund was launched in June 2014. Its objective is to produce a total return in excess of the MSCI All Country World Index after costs over any five year period through investment in a diversified portfolio of global equities.

The most significant positive and negative sector contributors to the relative performance of the Global Equity Fund for the six months to 31 March 2021, in %

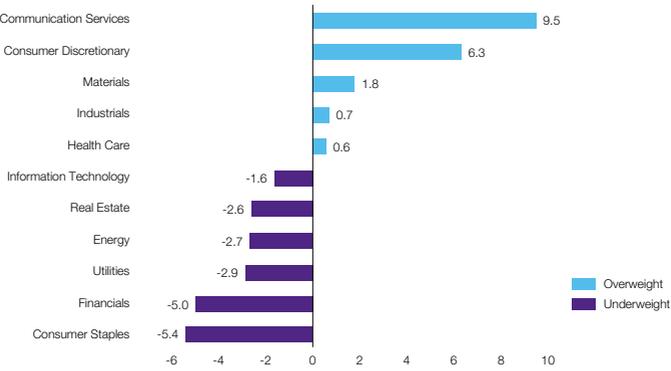


The most significant positive and negative stock contributors to the relative performance of the Global Equity Fund for the six months to 31 March 2021, in %

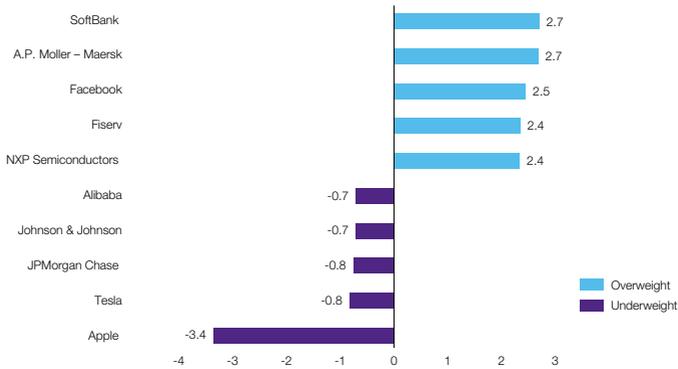


Chief Executive's Report

The table below shows the principal overweight and underweight sector positions of the Global Equity Fund at 31 March 2021 relative to the MSCI All Country Index, in %

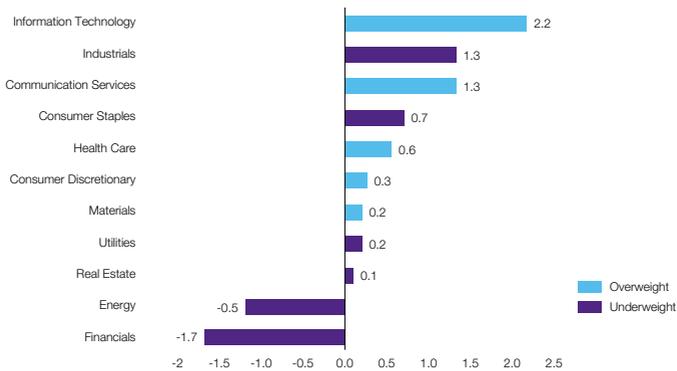


The table below shows the principal overweight and underweight stock positions of the Global Equity Fund at 31 March 2021 relative to the MSCI All Country Index, in %

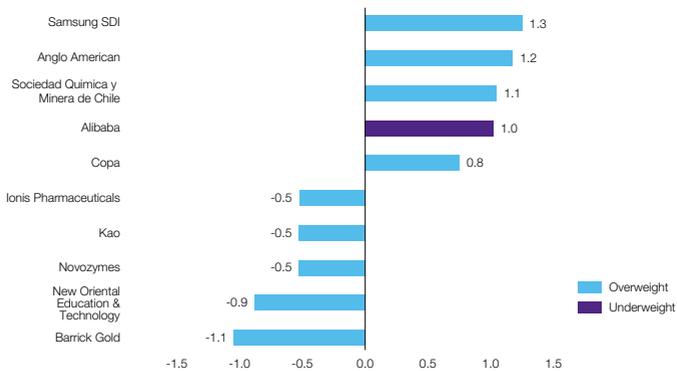


The International Equity Fund was launched in December 2019. Its objective is to produce a total return in excess of the MSCI All Country World ex US Index over any five year period after costs. It is a high conviction portfolio which captures developed and emerging markets opportunities and can invest up to 10% in US equities.

The most significant positive and negative sector contributors to the relative performance of the International Equity Fund for the six months to 31 March 2021, in %

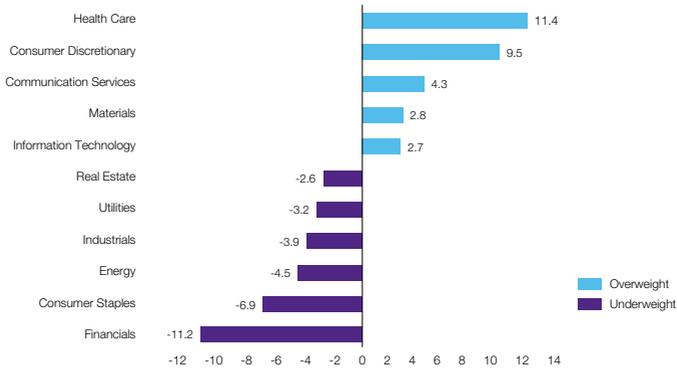


The most significant positive and negative stock contributors to the relative performance of the International Equity Fund for the six months to 31 March 2021, in %

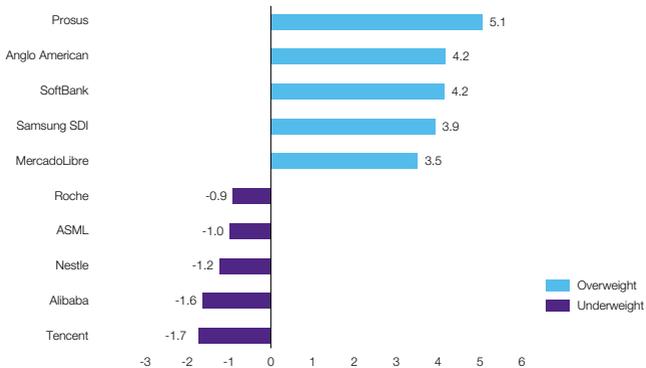


Chief Executive's Report

The table below shows the principal overweight and underweight sector positions of the International Equity Fund at 31 March 2021 relative to the MSCI All Country Index ex US, in %

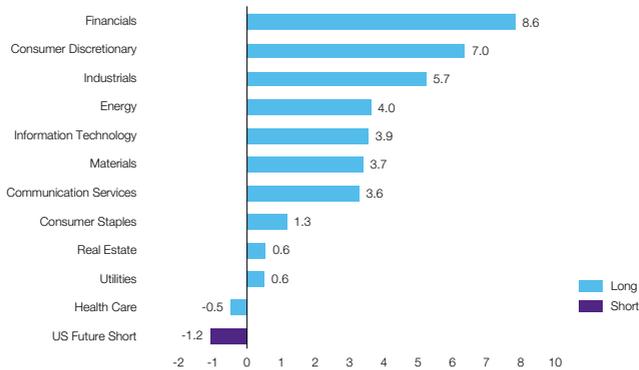


The table below shows the principal overweight and underweight stock positions of the International Equity Fund at 31 March 2021 relative to the MSCI All Country Index ex US, in %

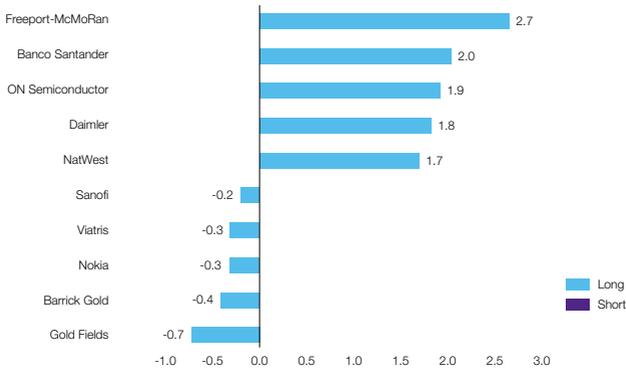


The Tortoise Fund is a global absolute return product which was launched in August 2007. Its objective is to achieve positive absolute returns in all market conditions, through investment primarily in long and synthetic short positions in equities over rolling three year periods, with less volatility than a conventional long only equity fund. Since inception to 31 March 2021 the Tortoise Fund has returned 7.2% per annum net of fees.

The most significant positive and negative sector contributors to the performance of the Tortoise Fund for the six months to 31 March 2021, in %

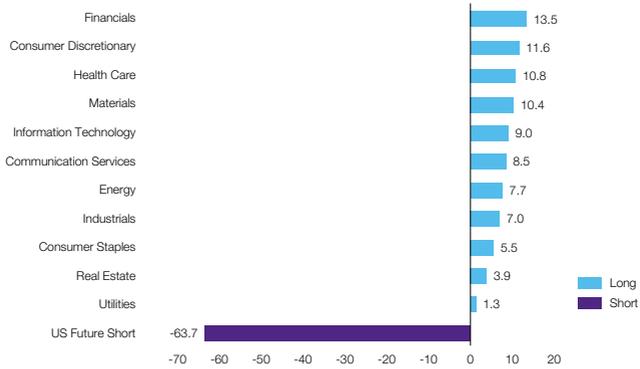


The most significant positive and negative stock contributors to the performance of the Tortoise Fund for the six months to 31 March 2021, in %

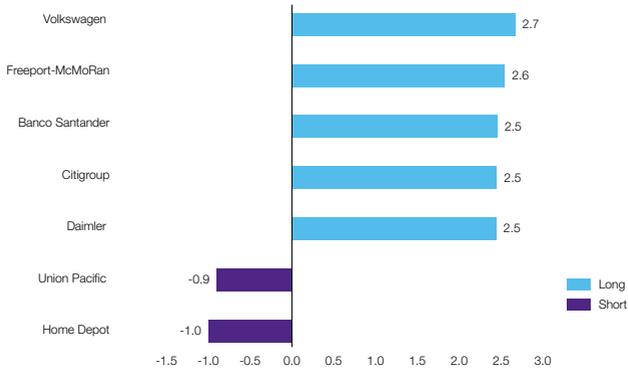


Chief Executive's Report

The Table below shows the principal long and short sector positions of the Tortoise Fund at 31 March 2021, in %



The Table below shows the principal long and short stock positions of the Tortoise Fund at 31 March 2021, in %



As noted in the Report and Accounts at 30 September 2020 the Company and its fund manager provided a detailed report on Responsible Capitalism and its approach to ESG. Additional information can be found on the Company's website under the Portfolio & Performance tab. A further update will be given in the full year Report and Accounts.

Discount

The Board continues to monitor the Company's discount to NAV and will take action when appropriate. The Company has not bought back any shares during the period and notes that Aviva plc has reduced its holding from 12.98% to below 3%.

Outlook

Stock markets have reacted positively to the improving economic outlook due to the massive levels of fiscal and monetary stimulus to help support economies through lockdowns. In addition, the effective roll out of the vaccine programmes in the developed world has boosted confidence from investors that some form of a return to normality will be forthcoming. Growth figures are being revised upwards and it is notable that following corporate Q1 results in the US and Europe the proportion of companies beating forecasts as well as their magnitude is the highest for a decade. Investors' concerns have shifted to rising inflation and interest rates from deflation and negative interest rates. The rise in US Treasury bond yields, albeit from historic lows reflect these concerns. For stock markets this has caused a major rotation away from growth at any cost to previously unloved cyclical companies. Markets are expected to remain volatile having recovered so strongly from March 2020. This market background should favour fund managers with a proven flexible investment process such as MAM. Their investment returns since the outbreak of the pandemic reinforces our confidence that MAM will gain assets under management as investment performance tends to be a leading indicator of asset growth.

William Barlow

Chief Executive

For and on behalf of the Board

25 May 2021

Fund Analysis

at 31 March 2021

Geographic and Sector Analysis at 31 March 2021

	% Europe	% United Kingdom	% Emerging Markets	% Asia Pacific	% North America	% Cash	% Total
Basic Materials	0.2	2.5	1.1		1.9		5.7
Consumer Goods		7.1		0.1	1.0		8.2
Consumer Services	2.2	8.9	2.4	0.4	6.7		20.6
Financials	1.3	7.3	0.8	0.5	2.5		12.4
Real Estate		0.1			0.6		0.7
Health Care	4.1	2.8		0.6	3.7		11.2
Industrials	2.5	8.9		0.8	2.9		15.1
Oil & Gas	0.9	1.8			0.4		3.1
Technology	0.5	2.6	5.1	0.2	6.9		15.3
Telecommunications	1.9	0.9		1.3	0.1		4.2
Utilities		0.5					0.5
Cash						3.0	3.0
	13.6	43.4	9.4	3.9	26.7	3.0	100.0
Futures*					(10.3)		

Notes:

The assets analysed above are the net exposure of the UK Equity Segregated Portfolio, Global Equity Fund, International Equity Fund and the Tortoise Fund. The Tortoise Fund, as an absolute return fund, invests through CFDs, futures and the net exposure of the fund is shown in the table. The aggregate of the funds represents a total of 82.9% of the Company's total assets.

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

* The Tortoise Fund has short futures positions on the S&P 500 and NASDAQ 100 indices.

Thirty Largest Portfolio Holdings

at 31 March 2021

Company	Fair Value £000	% of Total Assets
Majedie Asset Management Ltd	25,310	14.9%
Royal Dutch Shell PLC	2,390	1.4%
AstraZeneca PLC	2,293	1.4%
A.P. Moller – Maersk A/S	2,234	1.3%
NatWest Group PLC	2,172	1.3%
Unilever PLC	2,129	1.3%
Anglo American PLC	2,086	1.2%
Tesco PLC	2,030	1.2%
SoftBank Group Corp	1,881	1.1%
RELX PLC	1,836	1.1%
Electrocomponents PLC	1,799	1.1%
NXP Semiconductors NV	1,668	1.0%
Taiwan Semiconductor Manufacturing Co., Ltd.	1,563	0.9%
Royal KPN NV	1,547	0.9%
Facebook, Inc.	1,541	0.9%
3i Group PLC	1,517	0.9%
Amazon.com, Inc.	1,466	0.9%
AVEVA Group PLC	1,437	0.8%
Fevertree Drinks PLC	1,374	0.8%
Ashtead Group PLC	1,360	0.8%
Samsung SDI Co., Ltd	1,343	0.8%
St. James's Place PLC	1,299	0.8%
Weir Group PLC	1,229	0.7%
QinetiQ Group PLC	1,220	0.7%
Serco Group PLC	1,208	0.7%
Samsung Electronics Co., Ltd.	1,163	0.7%
Alphabet Inc.	1,153	0.7%
MercadoLibre, Inc.	1,118	0.7%
Reckitt Benckiser Group PLC	1,105	0.7%
Bellway PLC	1,100	0.6%
Total	71,571	42.3%

The assets analysed above show the Company's largest thirty holdings on a look through basis across all 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 a period of at least twelve months from the date on which these financial statements were approved.

The principal risks facing the Company remain unchanged since the date of the Annual Report for the year ended 30 September 2020, as set out in the Business Review section of the Strategic Report (pages 31 to 32). COVID-19 continues to provide 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 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 2020 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

25 May 2021

Condensed Statement of Comprehensive Income

for the half year ended 31 March 2021

		Half year ended 31 March 2021		
		(unaudited)		
	Notes	Revenue return £'000	Capital return £'000	Total £'000
Investments				
Gains/(losses) on investments at fair value through profit or loss			18,808	18,808
Net investment result			18,808	18,808
Income				
Income from investments	2	3,662		3,662
Other income	2	44		44
Total income		3,706		3,706
Management fees		(35)	(106)	(141)
Administration expenses		(366)	(324)	(690)
Return/(loss) before finance costs and taxation		3,305	18,378	21,683
Finance costs		(194)	(572)	(766)
Net return/(loss) before taxation		3,111	17,806	20,917
Taxation	3	(9)		(9)
Net return/(loss) after taxation for the period		3,102	17,806	20,908
Return per ordinary share:		pence	pence	pence
Basic	4	5.9	33.6	39.5

The total column of this statement is the Statement of Comprehensive Income of the Company. 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 2020		
	(unaudited)	
Revenue return	Capital return	Total
£'000	£'000	£'000
	(36,287)	(36,287)
	(36,287)	(36,287)
3,981		3,981
55		55
4,036		4,036
(41)	(122)	(163)
(350)	(324)	(674)
3,645	(36,733)	(33,088)
(190)	(571)	(761)
3,455	(37,304)	(33,849)
(7)		(7)
3,448	(37,304)	(33,856)
pence	pence	pence
6.5	(70.4)	(63.9)

Year ended 30 September 2020		
	(audited)	
Revenue return	Capital return	Total
£'000	£'000	£'000
	(20,385)	(20,385)
	(20,385)	(20,385)
5,958		5,958
76		76
6,034		6,034
(68)	(203)	(271)
(742)	(704)	(1,446)
5,224	(21,292)	(16,068)
(381)	(1,143)	(1,524)
4,843	(22,435)	(17,592)
(10)		(10)
4,833	(22,435)	(17,602)
pence	pence	pence
9.1	(42.3)	(33.2)

Condensed Statement of Changes in Equity

for the half year ended 31 March 2021

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000
Half year ended 31 March 2021				
(unaudited)				
1 October 2020		5,301	3,054	99
Net return after taxation for the period				
Dividends declared and paid in period	6			
31 March 2021		5,301	3,054	99
Half year ended 31 March 2020				
(unaudited)				
1 October 2019		5,305	3,054	95
Share buybacks for cancellation	12	(2)		2
Net return/(loss) after taxation for the period				
Dividends declared and paid in period	6			
31 March 2020		5,303	3,054	97
Year ended 30 September 2020				
(audited)				
1 October 2019		5,305	3,054	95
Share buybacks for cancellation	12	(4)		4
Net return/(loss) after taxation for the period				
Dividends declared and paid in period	6			
30 September 2020		5,301	3,054	99

Capital reserve £'000	Retained earnings £'000	Total £'000
97,518	25,361	131,333
17,806	3,102	20,908
	(3,711)	(3,711)
<u>115,324</u>	<u>24,752</u>	<u>148,530</u>

120,046	26,574	155,074
(66)		(66)
(37,304)	3,448	(33,856)
	(3,713)	(3,713)
<u>82,676</u>	<u>26,309</u>	<u>117,439</u>

120,046	26,574	155,074
(93)		(93)
(22,435)	4,833	(17,602)
	(6,046)	(6,046)
<u>97,518</u>	<u>25,361</u>	<u>131,333</u>

Condensed Balance Sheet

at 31 March 2021

		31 March 2021 (unaudited) £'000	31 March 2020 (unaudited) £'000	30 September 2020 (audited) £'000
	Notes			
Non-current assets				
Property and equipment		277	14	309
Investments at fair value through profit or loss	7,8	164,567	126,422	145,471
		164,844	126,436	145,780
Current assets				
Trade and other receivables		546	503	269
Cash and cash equivalents		5,256	12,228	7,525
		5,802	12,731	7,794
Total assets		170,646	139,167	153,574
Current liabilities				
Trade and other payables		(1,307)	(1,170)	(1,421)
Total assets less current liabilities		169,339	137,997	152,153
Non-current liabilities				
Debenture and lease liability	14	(20,809)	(20,558)	(20,820)
Total liabilities		(22,116)	(21,728)	(22,241)
Net assets		148,530	117,439	131,333

		31 March 2021 (unaudited) £'000	31 March 2020 (unaudited) £'000	30 September 2020 (audited) £'000
	Notes			
Represented by:				
Ordinary share capital	12	5,301	5,303	5,301
Share premium account		3,054	3,054	3,054
Capital redemption reserve		99	97	99
Capital reserve		115,324	82,676	97,518
Revenue reserve		24,752	26,309	25,361
Equity Shareholders' Funds		148,530	117,439	131,333
Net asset value per share		pence	pence	pence
Basic		280.2	221.5	247.7

Condensed Cash Flow Statement

for the half year ended 31 March 2021

		Half year ended 31 March 2021 (unaudited) £'000	Half year ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
	Notes			
Net cash inflow from operating activities	13	2,218	13,360	11,770
Investing activities				
Purchase of tangible assets		(2)	(1)	(1)
Initial direct costs incurred for the right-of-use asset		(6)		(2)
Net cash outflow from investing activities		(8)	(1)	(3)
Financing activities				
Interest paid on debentures	14	(750)	(750)	(1,501)
Interest paid on lease liability	14	(4)		
Dividends paid	6	(3,711)	(3,713)	(6,046)
Lease liability principal payments	14	(14)		
Share buybacks for cancellation	12		(66)	(93)
Net cash outflow from financing activities		(4,479)	(4,529)	(7,640)
(Decrease)/increase in cash and cash equivalents for the period		(2,269)	8,830	4,127
Cash and cash equivalents at start of period		7,525	3,398	3,398
Cash and cash equivalents at end of period		5,256	12,228	7,525

Notes to the Accounts

as at 31 March 2021

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 2021 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 2020.

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 2020 and since 1 October 2020 no new standards were adopted.

Notes to the Accounts

as at 31 March 2021

2. Income

	Half year ended 31 March 2021 £'000	Half year ended 31 March 2020 £'000	Year ended 30 September 2020 £'000
Income from investments			
Dividend income*	3,528	3,809	5,631
Accumulation dividend income	76	119	253
Overseas dividend income	58	53	74
	3,662	3,981	5,958
Other income			
Interest income			
Sundry income	44	55	76
	44	55	76
Total income	3,706	4,036	6,034
Income from investments			
Listed UK	440	652	1,167
Listed overseas	58	53	74
Unlisted – MAM Funds	288	400	690
Unlisted	2,876	2,876	4,027
	3,662	3,981	5,958

* Includes MAM dividend income of £2,876,000 (half year to 31 March 2020: £2,876,000 and the year ended 30 September 2020: £4,027,000) and Property Income Distribution (PID) dividend income of £Nil (half year to 31 March 2020: £12,000 and the year ended 30 September 2020: £13,000).

3. Taxation

The charge for the half year to 31 March 2021 is £9,000 (half year to 31 March 2020: £7,000; year ended 30 September 2020: £10,000). 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 53,013,887 shares (half year ended 31 March 2020: 53,035,310 shares, and the year ended 30 September 2020: 53,027,870), 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 2021

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 2021 £'000	Half year ended 31 March 2020 £'000	Year ended 30 September 2020 £'000
2020 Final dividend of 7.00p paid on 26 January 2021	3,711		
2020 Interim dividend of 4.40p paid on 19 June 2020			2,333
2019 Final dividend of 7.00p paid on 28 January 2020		3,713	3,713
	3,711	3,713	6,046

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

Dividends for the half year ended 31 March 2021 (and for the half year ended 31 March 2020 and the year ended 30 September 2020) 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 investment manager.

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, purchases for future settlement and the lease liability). 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 2021

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 2021			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	55,917			55,917
Unlisted equity securities (MAM Funds)		83,305		83,305
Unlisted equity securities			25,345	25,345
	55,917	83,305	25,345	164,567

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

8. Fair Value Hierarchy continued

Financial assets	Year ended 30 September 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	38,647			38,647
Unlisted equity securities (MAM Funds)		75,782		75,782
Unlisted equity securities			31,042	31,042
	<u>38,647</u>	<u>75,782</u>	<u>31,042</u>	<u>145,471</u>

There have been no transfers during the period between Levels 1, 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 2021, 31 March 2020 or 30 September 2020).

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 2021

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. New instruments are initially valued at cost, for a limited period, being the price of the most recent investment in the investee. 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 £35,000, and the investment in MAM valued at £25,310,000. Under the new valuation approach the carrying value of MAM is usually assessed and approved quarterly by the Board following the relevant recommendation by the Audit Committee. The revised methodology for valuation and the calculation for 31 March 2021 carrying value are as shown in the Chief Executive's Report on page 7. 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 3.3% in the carrying value of MAM.

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

	31 March 2021	
	Total £000	Equity investments £000
Opening balance	31,042	31,042
Total net loss for the period included in the Condensed Statement of Comprehensive Income	(5,697)	(5,697)
	25,345	25,345

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 2021		Half year ended 31 March 2020		Year ended 30 September 2020	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000	£000	£000
Financial liabilities						
£20.7m (2016: £20.7m) 7.25% 2025 debenture stock	20,582	24,208	20,558	25,094	20,570	24,939
Lease liability (including current portion)	282	282			287	287
	20,864	24,490	20,558	25,094	20,857	25,226

The above financial liabilities would be classified as Level 3 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 2020, as issued on 9 December 2020. There have been no changes to the management of these risks since that date.

Notes to the Accounts

as at 31 March 2021

10. Majedie Asset Management Limited (MAM)

As at 31 March 2021, 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 2021 £'000	31 March 2020 £'000	30 September 2020 £'000
Cost of investment	540	540	540
Holding gains	24,770	30,054	30,465
Fair value at period end	25,310	30,594	31,005

The carrying value of MAM in the 31 March 2021 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 53,013,887 (31 March 2020: 53,027,638 and 30 September 2020: 53,013,887) ordinary shares, being the number of shares in issue at the relevant period end.

12. Share capital

	Half year ended 31 March 2021	Half year ended 31 March 2020	Year ended 30 September 2020
Opening balance	53,013,887	53,055,483	53,055,483
Shares purchased for cancellation		(27,845)	(41,596)
Closing balance	53,013,887	53,027,638	53,013,887

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 2021 £'000	Half year ended 31 March 2020 £'000	Year ended 30 September 2020 £'000
Net gain/(loss) before taxation	20,917	(33,849)	(17,592)
Adjustments for:			
(Gains)/losses on investments	(18,808)	36,287	20,385
Accumulation dividends	(76)	(119)	(253)
Depreciation	34	6	17
Foreign exchange losses	(2)		(2)
Purchases of investments	(39,344)	(23,233)	(41,824)
Sales of investments	38,787	33,534	49,500
	1,508	12,626	10,231
Finance costs	766	761	1,524
Operating cash flows before movements in working capital	2,274	13,387	11,755
Increase/(decrease) in trade and other payables	18	(34)	(21)
(Increase)/decrease in trade and other receivables	(80)	10	42
Net cash flow from operating activities before tax	2,212	13,363	11,776
Tax recovered	17	8	11
Tax on overseas dividends	(11)	(11)	(17)
Net cash inflow from operating activities	2,218	13,360	11,770

Notes to the Accounts

as at 31 March 2021

14. Reconciliation of changes in liabilities arising from financing activities

	1 October 2020 £000	Cash flows £000	Other (non cash) £000	Amortisation of expenses (non cash) £000	31 March 2021 £000
Long term borrowings					
£20.7m 7.25% 2025 debenture stock	20,570			12	20,582
Lease liability	250	(14)	(9)		227
Interest payable on lease liability		(4)		4	
Interest payable on debenture stock		(750)		750	
Total liabilities from financing activities	20,820	(768)	(9)	766	20,809

	1 October 2019 £000	Cash flows £000	Other (non cash) £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 on debenture stock		(750)		750	
Total liabilities from financing activities	20,547	(750)		761	20,558

14. Reconciliation of changes in liabilities arising from financing activities *continued*

	1 October 2019 £000	Cash flows £000	New lease £000	Other (non cash) £000	Amortisation of expenses (non cash) £000	30 September 2020 £000
Long term borrowings						
£20.7m 7.25% 2025 debenture stock	20,547				23	20,570
Lease liability			287	(37)		250
Interest payable on debenture stock		(1,501)			1,501	
Total liabilities from financing activities	20,547	(1,501)	287	(37)	1,524	20,820

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 2020. 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 4 to 17.

Notes to the Accounts

as at 31 March 2021

15. Related Party Transactions *continued*

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 4 and 7.

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

	Half year ended 31 March 2021 £'000	Half year ended 31 March 2020 £'000	Year ended 30 September 2020 £'000
Transactions during the period:			
Dividend income received from MAM	2,876	2,876	4,027
Management fee income due to MAM (Segregated Portfolio only)	141	163	271
Balances outstanding at the period end:			
Between the Company and MAM (Segregated Portfolio investment management fees)	70	75	65
Value of the Company's investment in MAM	25,310	30,594	31,005

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 2020 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

J M Lewis

J W M Barlow (Executive)

A M J Little

C D Getley

R W Killingbeck

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

6th Floor

65 Gresham Street

London EC2V 7NQ

Fund 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

2021 Interim Dividend Timetable

The interim dividend for the period ended 31 March 2021 is 4.4p per share.

Ex-dividend date	3 June
Record date	4 June
Payment date	18 June

