



# RIGHTS AND ISSUES INVESTMENT TRUST PLC

Half Yearly Financial Report

for the six months ended 30th June 2024





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## Investment Objective, Policy and Approach

The Company's objective is to exceed the benchmark index over the long term whilst managing risk.

The Company invests in equities with an emphasis on smaller companies. UK smaller companies will normally constitute at least 80% of the investment portfolio. UK smaller companies include both listed securities and those admitted to trading on the Alternative Investment Market ("AIM").

The investment portfolio will normally lie in the range of 80% to 100% of shareholders' funds with the remainder being held in cash.

In January 2021 the Board thoroughly reviewed the performance of the Company in the context of the investment objective, the investment policy and the continuation of the Company. The Directors unanimously supported the continuation for a minimum period of five years to 2026. The Directors continue to review the Company's performance against its Key Performance Indicators throughout the financial year.

## Financial Highlights

Financial Highlights for the six months to 30th June 2024

### Capital Performance

	30th June 2024	31st December 2023
Total assets less current liabilities (£'000)	139,597	131,359

### Ordinary Share Performance

	30th June 2024	31st December 2023	% change
Mid market price (p)	2,430.0	2,130.0	14.1
Net asset value per share (p)	2,646.7	2,337.1	13.2
FTSE All-Share Index	4451.92	4232.01	5.2
Dividends per share (p)	12.0	43.0	
Discount to net asset value (%)*	(8.2)	(8.9)	
Ongoing charges ratio (%)*	0.9	0.9	

\*For definitions of the above Alternative Performance Measures please refer to the Glossary of Terms on page 22.

### Market Data

	30th June 2024
Issued share capital (Ordinary shares of 25p each)	5,274,364
Total investment return†	14.7%
Total shareholder return††	15.8%
Annualised dividend yield	1.8%

†Source: Jupiter, Morningstar

††Source: Trustnet

## Financial Calendar

Year end	31st December
Annual results announced	February
Annual General Meeting	March
Final dividend paid	March/April
Half year end	30th June
Half year results announced	August
Interim dividend paid	September

## Why consider Rights and Issues Investment Trust Plc?

### Opportunities for truly active managers

The Investment Manager believes that operating in the small to mid-sized part of the equity market offers the opportunity for well resourced, diligent research to generate insights that other market participants sometimes miss. It knows, for example, that smaller companies are generally less well researched by both sell-side and buy-side firms. It believes that by doing a lot of its bottom-up research in-house, for example through meeting management, visiting sites, and building its own financial models, it can gain an 'edge' over the wider market and exploit this to generate outperformance for shareholders.

### The Small and Midcap team

Jupiter's UK Small and Midcap ('SMID') team consists of four investment professionals researching and investing in UK listed businesses outside the FTSE 100. Each member of the team has responsibility for researching specific industry sectors. The team manages £1.2bn of client funds in eight portfolios across five investment strategies. (Source: Jupiter, as at 30th June 2024).

### Investment Process

The Investment Manager operates a blended top down and bottom-up approach to stock selection. It uses a macroeconomic framework which considers key UK and global economic indicators, which then determines its thematic and sectorial exposure over time.

Its stock selection process is embedded in fundamental bottom-up research of companies, utilising its own primary and third-party investment bank research to understand and assess the prospects for companies. The Investment Manager's stock selection process focuses on three factors that it believes are key to generating outperformance:

- **Sustainable above market growth**— it looks for businesses that it thinks can generate sustained growth above that of the wider market. These may be businesses aligned to secular change, those with strong intellectual property that can take market share or those with disruptive business models.
- **Scope for positive surprises**— it looks for businesses that have the potential to deliver consistent positive surprises to the market. In practice this often means companies that are consistently under-forecast by sell-side consensus.
- **Potential for re-rating**— it looks for businesses that appear to be fundamentally undervalued by the market and therefore have the scope to deliver returns ahead of their own growth.

Its best ideas often display aspects of all three of these elements. A business with strong fundamentals that is growing fast will often exceed anchored market expectations and earn a re-rating in the process.

### Continuation of long-term patient investment style

A concentrated low turnover approach has been a hallmark of the Company over the years, and the team plans to continue in that tradition. The portfolio will remain concentrated, in the region of 20 to 30 stocks.

## Why consider Rights and Issues Investment Trust Plc? *(continued)*

### **Focused portfolio of high conviction ideas**

The closed-ended structure of an investment trust brings the advantage of not having, as in an open-ended fund, daily flows of investor money. This means the portfolio can cope with greater volatility and lower liquidity in the shares it holds. It allows the Investment Manager to bring greater focus to bear. It can concentrate on a smaller number of its highest conviction ideas.

The Investment Manager will continue to invest in good companies that it can hold for the long term, aiming to generate value for shareholders over time – it will not be looking for short-term trading opportunities.

### **Balance of sector exposure and growth and value characteristics**

The Company has traditionally been run with a distinct skew towards certain sectors – for example industrial and engineering business. The team has broadened its exposure by adding investments in sectors which have tended to be under-represented, such as financial services. As well as helping to diversify the portfolio, this could help ensure that shareholders benefit from the sector-specific expertise it has in the team, by capturing the best ideas it has in each area.



## Chairman's Statement



I am pleased to present the Chairman's Interim Statement for Rights and Issues Investment Trust. I am delighted to report on our progress for the first half of the financial year ending December 2024. Despite continued global economic uncertainties, your Company has produced a robust performance, driven by our highly concentrated and actively managed stock portfolio.

### Net Asset Value & Share Price Returns

Our investments have seen a good first half, with net asset value up 13.2% and total shareholder returns (share price performance plus dividends) reaching 15.8%, outperforming our formal benchmark measure the FTSE All-Share, which gained 7.4% on a total return basis. We are particularly pleased to note the reduction in the Company's discount over the period, closing at 8.2%.

### Portfolio Activity

The positive returns achieved over the review period were the result of the Company's strategic approach. This is an actively managed fund with a highly concentrated portfolio. We saw two of our holdings being acquired, while we made the decision to divest from Carr's Group. Additionally, we enhanced our portfolio with strategic additions of Jet2 and GB Group. This continues the work started eighteen months ago to thoughtfully diversify and modestly reduce concentration of the portfolio, whilst maintaining the Company's traditional approach to UK listed smaller companies. You will find more details on stock selection and performance in the Investment Manager's Review on pages 7 and 8.

### Discount Control

During the first half of the year the Company bought back 346,320 shares in the market at a total cost of c. £7.4m. The share buyback program remains an important tool that the Board uses to try to narrow the share price discount to net asset value or to reduce its volatility. These buybacks at the margin provide an important mechanism for those shareholders seeking to realise their investment and at the same time generate an economic uplift for remaining shareholders. A special resolution was adopted at the AGM in March to extend this authority to the next AGM. On 31st July 2024 the Company announced the extension of the share buyback programme for a further 12 months.

### Dividends

The Directors are mindful of the importance of income to shareholders and therefore the Company will be paying an interim dividend of 12.0p (2023: 11.75p) per share, an increase of 2.1%, payable to shareholders on 27th September 2024.

### Shareholder Engagement

Over the first half of the year your Board and their advisors continued with our regular dialogue with major shareholders. In addition to meeting a number of them at our AGM, we followed up with some one-on-one meetings to discuss their voting decisions. The feedback we received was clear. The small size of the Board was greatly appreciated as was the continued involvement of Simon Knott. As a consequence, the Board will not be changing its composition or that of its committees in the immediate future and will review these arrangements towards the end of the financial year.

### Marketing

Our partnership with Jupiter continues to work well and we have seen significant marketing efforts underway to raise awareness of the Company to a wider audience. This proactive approach aims to enhance visibility and attract potential investors. Over the course of the period events were held that included wealth managers, professional fund managers and private individuals via a range of traditional in-person activities, as well as digital content and video tools, which you will be able to find on our Investment Manager's website: [www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues).

### Investment Manager Succession

As previously announced, lead investment manager Dan Nickols decided to retire from the industry and formally left Jupiter Asset Management on 30th June. The Board would like to take this opportunity to thank Dan for his service to the Company over the last 20 months, helping us to navigate the transition from a self-managed company, and some of the most challenging market conditions for UK Smaller Companies. We wish him well for the future.

## Chairman's Statement (*continued*)

As part of a well-managed succession process Matt Cable, who began his investment career in 2001, has been co-manager of the Company since Jupiter's appointment in October 2022, working with Dan for over four years. Matt was appointed as lead manager for the Company with effect from 30th June, supported by Tim Service and the other members of Jupiter's UK Small and Mid-Cap team.

### Outlook

With the recent change in Government following the UK general election, we are closely monitoring policy developments. With inflation appearing to steady and the potential for interest rate reductions to occur, we think this should provide an improved environment for investors. That said, there remain significant global headwinds with the continuing conflicts in the Ukraine and Middle East, plus the uncertainty around an election in the USA. Whilst we are aware of these factors, we will continue to encourage our Investment Manager to seek out opportunities to invest in differentiated companies operated by good management that they believe to be fundamentally under-priced. There may also now be stronger macroeconomic forces that would result in a fundamental reassessment of the pricing of the UK's smaller companies' sector. Our commitment to rigorous risk management and disciplined investment practices remains steadfast. The Board believes that our Investment Managers at Jupiter have the skills and knowledge to identify these opportunities and continue to be well placed to deliver value for your Company into the future.

Thank you for your continued support and confidence in Rights and Issues Investment Trust.

### Andrew Hosty

Chairman

5th August 2024

You can view or download copies of the Half Yearly and the Annual Reports from the Company's website at [www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues)

The Half Yearly Report will also be made available to shareholders and copies are available at the registered office of the Company on request.



## Investment Manager's Review

### Introduction

We are pleased to present our investment report for the first half of 2024 to shareholders of the Company. Overall, it has been a positive period for both markets and the Company's performance, with NAV per share up 13.2% and total shareholder returns (share price performance plus dividends) of 15.8%.

At the end of the period Dan Nickols retired from his role as investment manager at Jupiter Asset Management and will therefore no longer be lead manager for Rights and Issues. In line with Jupiter's well established succession plans, Matt Cable will assume the role of lead manager supported by Tim Service, who also succeeds Dan as head of Jupiter's Small and Mid-Cap team. Tim is a longstanding member of the team who also has lead manager responsibilities for Jupiter's Mid-Cap, Specialist Equity and Dynamic Equity funds. Given the continuity of management within the Jupiter team, we do not envisage any changes to the Rights and Issues portfolio outside business-as-usual activities. We wish Dan well for his retirement.

### Market backdrop

As discussed in our last annual report, inflation has continued to moderate in the UK, broadly in line with market expectations. This in turn has increased investor confidence in interest rate cuts later in the year which should be positive for economic activity and hence equity returns. A notable feature of the first half has been a divergence between such expectations for the UK and the US, where there remains greater uncertainty.

In this context UK equity markets have reacted positively, with the FTSE All-Share gaining 5.2% in the period. Small and medium sized companies have performed broadly in line with the wider market; the Deutsche Numis Smaller Companies Index (DNSCI) returning 5.5%.

The UK general election was called towards the end of the period and held on 4th July and, as expected, the Labour party won with a large majority. This outcome was widely anticipated so is unlikely to have a short-term impact on markets. Over the coming months we will be watching closely as government policy becomes more apparent, especially in areas such as labour policy, tax and international relations.

### Performance

The Company's investment portfolio performed well over the period, delivering a NAV return of 14.7% (including dividends). This was ahead of both its formal benchmark (the FTSE All-Share index) and the DNSCI, which is more representative of the portfolio's small and mid-cap investment universe. Given a narrowing of the Company's discount over the period, its shares performed better, positing a total return of 15.8% (again including dividends).

Given the highly concentrated nature of the portfolio, performance is principally a function of stock selection as opposed to sector or factor weights. The following individual investments were among the most significant contributors to performance.

#### ***Renold (+65%)***

Manufacturer of industrial chains and transmissions Renold has again delivered positive trading and upgrades to profit expectations through the period. Despite a period of very strong performance, we continue to view the stock's valuation as depressed and therefore offering further opportunity.

#### ***Gamma Communications (+26%)***

Business telecommunications group Gamma has continued to perform well through the first half of the year which has helped to dispel market concerns about selling prices for some of its older products. As confidence has returned the shares have begun to better reflect what we view as the company's exciting growth potential.

#### ***Alpha Group (+30%)***

Specialist FX and banking group Alpha has performed strongly through the period as the market has increasingly recognised the quality of its business. This process has undoubtedly been helped by Alpha's move from AIM to the FTSE 250 index where it will be exposed to a wider range of potential investors.

## Investment Manager's Review (*continued*)

### **Spirax Group (-18%)**

Spirax Group (formerly Spirax-Sarco) has underperformed over the period as weaker trading has highlighted softer conditions in some of its industrial end markets. While the risk of further profit downgrades remains, we view the quality of the business as attractive in the long term.

### **Treatt (-14%)**

Flavours and fragrances business Treatt has seen share price weakness over the first half of the year, although this is not obviously related to any trading underperformance. We hope the arrival of a highly regarded new CEO and the benefits of Treatt's recent investment program will drive operational delivery and hence returns in the coming periods.

### **Portfolio changes**

During the period the Company disposed of one holding and added two new positions.

Agricultural supplies and engineering business **Carr's Group** was sold early in the year, reflecting our view that risks to the business were not adequately discounted in its valuation. Specifically, we are concerned that weak trading in the US due to drought conditions may be a structural trend caused by climate change rather than a purely cyclical effect.

Vertically integrated airline and tour operator **Jet2** was added to the portfolio during the period. We believe that Jet2 has a differentiated model and customer proposition, validated by consistent share gains that have left it as the largest operator (by IATA licences) in its target markets. Given our relatively optimistic views on the UK consumer we wanted to add exposure to the domestic market without being exposed to structurally challenged areas such as retail.

Following takeover bids for two of the Company's technology holdings in the period (Spirent Communications and Gresham Technologies), we were keen to maintain exposure to the sector. Identity verification and fraud prevention business **GB Group** is a high quality operator in our view, but has been through a difficult post-pandemic period as markets have normalised, exacerbated by an acquisition that was poorly received by the stock market. We believe that this has created an opportunity to invest in a quality business at an attractive valuation.

### **Summary and Outlook**

Following a challenging period for UK equities the macroeconomic backdrop appears to be improving, with inflation under control and the potential for lower interest rates. This should create better conditions for equity investors. At the same time, the UK election allows for a period of greater political stability which should mean businesses can plan with more certainty and investors can build confidence in the outlook.

Clearly macroeconomic risks remain, from the ongoing conflict in Ukraine to uncertainty around the US election. However, we approach the remainder of the year with a degree of optimism and continue to look for attractively valued investment opportunities in our market.

### **Matt Cable**

Lead Manager

### **Tim Service**

Investment Manager

5th August 2024

## Portfolio Statement

Details of the investments held within the portfolio as at 30th June 2024 are given below by market value:

	30th June 2024			31st December 2023		
	Holdings	Market Value £000's	% of Net Assets	Holdings	Market Value £000's	% of Net Assets
<b>UK Investments</b>						
Renold	20,219,300	11,444	8.20	28,745,000	9,802	7.46
Vp	1,623,390	10,795	7.73	2,404,250	14,906	11.35
Hill & Smith	522,465	10,261	7.35	522,465	9,969	7.59
Gamma Communications	640,919	9,037	6.47	640,919	7,204	5.48
Colefax	1,055,952	8,976	6.43	1,055,952	7,286	5.55
Macfarlane	7,090,653	8,402	6.02	11,680,653	13,666	10.40
Telecom Plus	466,200	8,224	5.89	459,113	7,401	5.63
Alpha Group International	336,513	7,572	5.43	336,513	5,721	4.36
Oxford Instruments	245,735	6,070	4.35	58,268	1,337	1.02
OSB	1,401,694	6,002	4.30	1,401,694	6,501	4.95
GB	1,663,873	5,621	4.03	—	—	—
Treatt	1,281,009	5,502	3.94	1,281,009	6,444	4.91
Jet2	399,296	5,227	3.74	—	—	—
IMI	292,263	5,155	3.69	292,263	4,922	3.75
Eleco	4,520,781	4,882	3.50	4,520,781	3,617	2.75
Morgan Advanced Materials	1,500,000	4,635	3.32	1,500,000	4,245	3.23
Marshall's	1,545,642	4,521	3.24	1,545,642	4,319	3.29
Spirax Group	47,849	4,055	2.91	59,668	6,268	4.77
RS	464,401	3,255	2.33	464,401	3,806	2.90
Videndum	959,582	2,735	1.96	959,582	3,339	2.54
Gresham Technologies	1,259,935	2,016	1.44	2,360,303	2,714	2.07
Spirent Communications	86,788	159	0.11	1,516,091	1,869	1.42
Dyson	1,000,000	38	0.03	1,000,000	41	0.03
Carr's*	—	—	—	4,750,000	4,617	3.51
Total Investments		134,584	96.41		129,994	98.96
Net current assets		5,013	3.59		1,365	1.04
Net Assets		<b>139,597</b>	<b>100.00</b>		<b>131,359</b>	<b>100.00</b>

Unless otherwise specified, the actual holdings are, in each case, of ordinary shares or stock units and of the nominal value for which listing has been granted.

\*Sold during the period to 30th June 2024.

## Risks and Uncertainties

### Principal risks

The principal and emerging risks and uncertainties that could have a material impact on the Company's performance have not changed from those set out on pages 21 to 23 of the Annual Report for the year ended 31st December 2023.

### Cautionary statement

This Half Yearly Report contains forward-looking statements that involve risk and uncertainty. These have been made by the Directors in good faith based on the information available to them at the time of their approval of this Report.

The Board is mindful of the continuing uncertain outlook for the global economy arising from the ongoing conflicts in Ukraine and the Middle East and the uncertainty around the US election. The Company's assets and the potential level of revenue derived from the portfolio remain exposed to macro-economic deteriorations. The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objectives and projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

## Directors' Statement of Responsibility for the Half Yearly Financial Report

The Directors are responsible for preparing the Half Yearly financial report in accordance with applicable law and regulations.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting"; and
- the Half Yearly management report includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

This report was approved on 5th August 2024.

**Andrew Hosty**  
Chairman



(Image source: Shutterstock)



## Statement of Comprehensive Income

for the six months ended 30th June 2024

	Notes	Six months ended 30th June 2024			Six months ended 30th June 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>	2	<b>1,780</b>	–	<b>1,780</b>	<b>2,606</b>	–	<b>2,606</b>
Other operating income	2	52	–	52	40	–	40
<b>Total income</b>		<b>1,832</b>	–	<b>1,832</b>	<b>2,646</b>	–	<b>2,646</b>
Gains through fair value		–	16,145	16,145	–	1,912	1,912
		1,832	16,145	17,977	2,646	1,912	4,558
<b>Expenses</b>							
Investment management fee		333	–	333	423	–	423
Other expenses		254	55	309	175	107	282
		587	55	642	598	107	705
<b>Profit before finance costs and taxation</b>		<b>1,245</b>	<b>16,090</b>	<b>17,335</b>	<b>2,048</b>	<b>1,805</b>	<b>3,853</b>
Finance costs		–	–	–	–	–	–
<b>Profit before taxation</b>		<b>1,245</b>	<b>16,090</b>	<b>17,335</b>	<b>2,048</b>	<b>1,805</b>	<b>3,853</b>
Tax		–	–	–	–	–	–
<b>Profit after taxation</b>		<b>1,245</b>	<b>16,090</b>	<b>17,335</b>	<b>2,048</b>	<b>1,805</b>	<b>3,853</b>
<b>Return per Ordinary share</b>		<b>23.0p</b>	<b>297.9p</b>	<b>320.9p</b>	<b>34.1p</b>	<b>30.1p</b>	<b>64.2p</b>

	Notes	Year ended 31st December 2023		
		Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>	2	<b>3,999</b>	–	<b>3,999</b>
Other operating income	2	94	–	94
<b>Total income</b>		<b>4,093</b>	–	<b>4,093</b>
Gains through fair value		–	797	797
		4,093	797	4,890
<b>Expenses</b>				
Investment management fee		670	–	670
Other expenses		470	156	626
		1,140	156	1,296
<b>Profit before finance costs and taxation</b>		<b>2,953</b>	<b>641</b>	<b>3,594</b>
Finance costs		–	–	–
<b>Profit before taxation</b>		<b>2,953</b>	<b>641</b>	<b>3,594</b>
Tax		–	–	–
<b>Profit after taxation</b>		<b>2,953</b>	<b>641</b>	<b>3,594</b>
<b>Return per Ordinary share</b>		<b>50.4p</b>	<b>11.0p</b>	<b>61.4p</b>

Return per share is calculated using the weighted average number of Ordinary shares in issue during the period ended 30th June 2024 of 5,402,043 (30th June 2023: 5,999,351, 31st December 2023: 5,854,307).

## Statement of Comprehensive Income *(continued)*

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards as adopted by the UK. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement are those of the single entity and derive from continuing operations.

The gain for the period disclosed above represents the Company's total Comprehensive Income. The Company does not have any other Comprehensive Income.

An interim dividend of 12.0p (2023: 11.75p) per share and amounting to £625,942 (calculated as at 31st July 2024) (2023: £682,555) is payable on 27th September 2024 to shareholders on the register as at 23rd August 2024 (ex-dividend 22nd August 2024).

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The information for the six months to 30th June 2024 has not been audited.

The information for the year ended 31st December 2023 has been extracted from the latest published audited accounts which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2) or (4) of the Companies Act 2006.

## Statement of Financial Position

as at 30th June 2024

	30th June 2024 £'000	30th June 2023 £'000	31st December 2023 £'000
<b>Non-current assets</b>			
Investments – fair value through profit or loss	134,584	131,714	129,994
<b>Current assets</b>			
Other receivables	1,481	1,098	556
Cash and cash equivalents	4,130	4,755	1,051
	5,611	5,853	1,607
<b>Total assets</b>	<b>140,195</b>	<b>137,567</b>	<b>131,601</b>
<b>Current liabilities</b>			
Other payables	598	486	242
<b>Total assets less current liabilities</b>	<b>139,597</b>	<b>137,081</b>	<b>131,359</b>
<b>Net assets</b>	<b>139,597</b>	<b>137,081</b>	<b>131,359</b>
<b>Equity attributable to equity holders</b>			
Called up share capital	1,319	1,468	1,405
Capital redemption reserve	936	787	850
Retained reserves:			
Capital reserve	83,415	85,247	84,416
Revaluation reserve	51,569	46,993	41,873
Revenue reserve	2,358	2,586	2,815
<b>Total equity</b>	<b>139,597</b>	<b>137,081</b>	<b>131,359</b>
<b>Net asset value per share</b>			
Ordinary shares	2,646.7p	2,333.8p	2,337.1p

The number of Ordinary shares in issue as at 30th June 2024 was 5,274,364 (30th June 2023: 5,873,611, 31st December 2023: 5,620,684).

## Statement of Changes in Equity

for the six months ended 30th June 2024

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30th June 2024</b>						
Balance at 31st December 2023	1,405	850	84,416	41,873	2,815	131,359
Profit for the period	–	–	6,394	9,696	1,245	17,335
Ordinary shares bought back and cancelled	(86)	86	(7,395)	–	–	(7,395)
Dividends (Note 3)	–	–	–	–	(1,702)	(1,702)
<b>Balance at 30th June 2024</b>	<b>1,319</b>	<b>936</b>	<b>83,415</b>	<b>51,569</b>	<b>2,358</b>	<b>139,597</b>

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30th June 2023</b>						
Balance at 31st December 2022	1,542	713	67,191	69,032	2,305	140,783
Profit for the period	–	–	23,844	(22,039)	2,048	3,853
Ordinary shares bought back and cancelled	(74)	74	(5,788)	–	–	(5,788)
Dividends (Note 3)	–	–	–	–	(1,767)	(1,767)
<b>Balance at 30th June 2023</b>	<b>1,468</b>	<b>787</b>	<b>85,247</b>	<b>46,993</b>	<b>2,586</b>	<b>137,081</b>

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31st December 2023</b>						
Balance at 31st December 2022	1,542	713	67,191	69,032	2,305	140,783
Profit/(loss) for the year	–	–	27,800	(27,159)	2,953	3,594
Ordinary shares bought back and cancelled	(137)	137	(10,575)	–	–	(10,575)
Dividends (Note 3)	–	–	–	–	(2,443)	(2,443)
<b>Balance at 31st December 2023</b>	<b>1,405</b>	<b>850</b>	<b>84,416</b>	<b>41,873</b>	<b>2,815</b>	<b>131,359</b>

## Cash Flow Statement

for the six months ended 30th June 2024

	30th June 2024 £'000	30th June 2023 £'000	31st December 2023 £'000
<b>Cashflows from operating activities</b>			
Profit before tax	10,886	3,853	3,594
Adjustments for:			
(Gains) on investments	(9,696)	(1,912)	(797)
Purchases of investments	(13,922)	(25,309)	(30,042)
Proceeds on disposal of investments	25,477	29,954	35,292
Operating cash flows before movements in working capital	12,745	6,586	8,047
(Increase)/decrease in receivables	(925)	(537)	5
Increase/(decrease) in payables	356	222	(22)
<b>Net cash flows from operating activities</b>	<b>12,176</b>	<b>6,271</b>	<b>8,030</b>
<b>Cashflows from financing activities</b>			
Ordinary shares bought back	(7,395)	(5,788)	(10,575)
Dividends paid	(1,702)	(1,767)	(2,443)
<b>Net cash used in financing activities</b>	<b>(9,097)</b>	<b>(7,555)</b>	<b>(13,018)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,079</b>	<b>(1,284)</b>	<b>(4,988)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,051</b>	<b>6,039</b>	<b>6,039</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,130</b>	<b>4,755</b>	<b>1,051</b>



## Notes to the Half Yearly Financial Report

for the six months ended 30th June 2024

### 1. Accounting Standards

The half yearly financial statements for the period ended 30th June 2024 have been prepared in accordance with the Disclosure and Transparency Rules sourcebook of the Financial Conduct Authority and with the UK adopted International Accounting Standard 34 "Interim Financial Reporting". The accounting policies applied and methods of computation in this interim statement are consistent with those used in the Company's latest published annual financial statements.

#### Significant accounting policies

##### *a. Accounting convention*

The accounts are prepared under the historical cost basis, except for the measurement of fair value of investments.

##### *b. Adoption of new IFRS standards*

There have been minor amendments to IAS 16, 37 and 41 and IFRS 4, 7, 9 and 16 which were effective for annual periods beginning on or after 1st January 2023 and have not had any material impact on the accounts. Amendments to IAS 1 (Disclosure of Accounting Policies), IAS 8 (Definition of Accounting Estimates), IFRS 4 (Extension of IFRS 9 Deferral) and IFRS 17 (Insurance Contracts) are effective for annual periods beginning on or after 1st January 2024 and are not anticipated to have any material impact on the accounts.

##### *c. Income*

Dividend income is included in the financial statements on the ex-dividend date. All other income is included on an accruals basis.

##### *d. Expenses*

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows:

- Expenses which are incidental to the acquisition of an investment are included within the cost of the investment.
- Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

##### *e. Taxation*

The charge for taxation is based on the net revenue for the year. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Investment trusts which have approval under section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

##### *f. Dividends*

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by the shareholders.

##### *g. Cash and cash equivalents*

Cash comprises cash in hand and deposits payable on demand. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash.

##### *h. Investments*

Investments are classified as fair value through profit or loss as the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or capital growth.

## Notes to the Half Yearly Financial Report *(continued)*

### for the six months ended 30th June 2024

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as “Gains or losses on investments held at fair value through profit or loss”. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

All investments, classified as fair value through profit or loss, are further categorised into the following fair value hierarchy:

Level 1 – Unadjusted prices quoted in active markets for identical assets and liabilities.

Level 2 – Having inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Having inputs for the asset or liability that are not based on observable data.

Investments traded on active stock exchange markets are valued at their fair value, which is determined by the quoted market bid price at the close of business at the statement of financial position date. Where trading in a security is suspended, the investment is valued at the Board's estimate of its fair value.

Unquoted investments are valued by the Board at fair value using the International Private Equity and Venture Capital Valuation Guidelines.

### 2. Income

	30th June 2024 £'000	30th June 2023 £'000	31st December 2023 £'000
<b>Income from investments:</b>			
Franked investment income	1,780	2,606	3,999
Deposit interest	52	40	94
<b>Total income</b>	<b>1,832</b>	<b>2,646</b>	<b>4,093</b>

### 3. Dividends

	30th June 2024 £'000	30th June 2023 £'000	31st December 2023 £'000
<b>Amounts recognised as distributions to equity holders in the relevant period:</b>			
Interim dividend for the year ended 31st December 2023 of 11.75p per share	—	—	676
Final dividend for the year ended 31st December 2023 of 31.25p per share (year ended 31st December 2022: 29.25p)	1,702	1,767	1,767
	1,702	1,767	2,443

	30th June 2024 £'000
Proposed interim dividend of 12.0p per share	626

This proposed interim dividend was approved by the Board on 5th August 2024, has been calculated based on shares in issue at 31st July 2024, being the latest practicable date prior to publication of this report and has not been included as a liability at 30th June 2024.

## Notes to the Half Yearly Financial Report (*continued*)

for the six months ended 30th June 2024

### 4. Valuation of financial instruments

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 1 Investments, as set out in the Company's Annual Report and Financial Statements for the year ended 31st December 2023.

The fair value hierarchy has the following levels:

Level 1 – Unadjusted prices quoted in active markets for identical assets and liabilities.

Level 2 – Having inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 – Having inputs for the asset or liability that are not based on observable data.

30th June 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
UK Equity Listed	89,360	—	—	89,360
AIM traded stocks	45,186	—	—	45,186
Unlisted stock	—	38	—	38
<b>Net fair value</b>	<b>134,546</b>	<b>38</b>	<b>—</b>	<b>134,584</b>

30th June 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
UK Equity Listed	94,351	—	—	94,351
AIM traded stocks	37,322	—	—	37,322
Unlisted stock	—	41	—	41
<b>Net fair value</b>	<b>131,673</b>	<b>41</b>	<b>—</b>	<b>131,714</b>

31st December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
UK Equity Listed	96,323	—	—	96,323
AIM traded stocks	33,630	—	—	33,630
Unlisted stock	—	41	—	41
<b>Net fair value</b>	<b>129,953</b>	<b>41</b>	<b>—</b>	<b>129,994</b>

There were no transfers between Level 1 and Level 2 during the periods.

## Notes to the Half Yearly Financial Report (*continued*)

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for the six months ended 30th June 2024

### 5. Related Party Transactions

Under IAS 24, the Directors have been identified as related parties. Their fees and interests for the year ended 31st December 2023 have been disclosed in the Directors' Annual Remuneration Report within the 2023 Annual Report and Financial Statements.

### 6. Going Concern

The Company's assets comprise mainly realisable equity securities and cash and the value of its assets is greater than its liabilities. Additionally, after reviewing the Company's budget, including the current financial resources and projected expenses for the next twelve months and its medium-term plans, the Directors believe that the Company's resources are adequate to continue in business for the foreseeable future.

Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31st December 2023.

## Company Information

### DIRECTORS

Dr A. J. HOSTY (Chairman)  
S. J. B. KNOTT  
J. B. ROPER  
M. H. VAUGHAN

### REGISTERED OFFICE

Hamilton Centre  
Rodney Way  
Chelmsford CM1 3BY

### WEBSITE

[www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues)

### INVESTMENT MANAGER/ALTERNATIVE INVESTMENT FUND MANAGER

JUPITER UNIT TRUST MANAGERS LIMITED  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
[investmentcompanies@jupiteram.com](mailto:investmentcompanies@jupiteram.com)

### SECRETARY/ADMINISTRATOR

APEX FUND ADMINISTRATION SERVICES (UK) LIMITED  
Hamilton Centre  
Rodney Way  
Chelmsford CM1 3BY

### SOLICITORS

EVERSHEDS SUTHERLAND  
1 Wood Street  
London EC2V 7WS

### AUDITOR

ERNST & YOUNG LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### REGISTRARS

LINK GROUP  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

### BROKERS

CAVENDISH CAPITAL MARKETS LIMITED  
One Bartholomew Close  
London EC1A 7BL

### CUSTODIAN/DEPOSITORY

NORTHERN TRUST COMPANY  
50 Bank Street  
Canary Wharf  
London E14 5NT

## Registration Details

Company Registration Number:

00736898 (Registered in England)

SEDOL number:

0739207

ISIN number:

GB0007392078

London Stock Exchange (EPIC) Code:

R111

Global Intermediary Identification Number (GIIN):

I2ZVNY.99999.SL.826

Legal Entity Identifier (LEI):

2138002AWAM93Z6BP574



## Glossary of Terms

### Alternative performance measures

The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs. The following APMs (indicated by \*) are used throughout the annual report, financial statements and notes to the financial statements.

### Annualised dividend yield

The annualised dividend yield is the amount paid to shareholders in the form of dividends (pence per share) as a percentage of the current price.

### Benchmark

The Company's benchmark is the FTSE All-Share Index.

### Discount\*

The amount, expressed as a percentage, by which the share price is less than the net asset value per share. As at 30th June 2024, the share price was 2,430.0p and the net asset value per share was 2,646.7p, the discount therefore being (8.2%). As at 31st December 2023, the share price was 2,130.0p and the net asset value per share was 2,337.10p, the discount therefore being (8.9%).

### Discount management

Discount management is the process of the buyback and issue of Company shares by the Company with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the Company's shares will not materially vary from its NAV per share. The authority to repurchase the Company's shares is voted upon by the shareholders at each annual general meeting.

### Jupiter or JUTM

Jupiter Unit Trust Managers Limited, the Company's Investment Manager and Alternative Investment Fund Manager.

### Mid-market price

The mid-market price is the mid-point between the buy and the sell prices.

### NAV per share

The net asset value ('NAV') is the value of the investment Company's assets less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price may be referred to as the discount or premium, as defined within this glossary.

### Ongoing charges\*

Ongoing charges are the total expenses including both the investment management fee and other costs, as a percentage of average NAV.

### Premium\*

The amount, expressed as a percentage, by which the share price is more than the net asset value per share. The Company's shares were trading at a discount as at 30th June 2024.

### Smaller company

A smaller company is defined as a company which has a market capitalisation smaller than the market capitalisation of the 100th company of the FTSE 100.

### Total investment return

The total investment return is the movement in the net asset value per share during the period plus dividends.

### Total shareholder return

The total shareholder return is the movement in the share price during the period plus dividends.







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