



Slater Investments Limited

Slater OEIC

Interim Report

For the six month ended 31st October 2017

(Unaudited)

SLATER OEIC

DIRECTORY

Registered Office

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EC4R 0EU

Authorised Corporate Director (ACD) and Fund Manager

Slater Investments Limited*

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EC4R 0EU

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Administrator and Registrar

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Transfer Agent

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Custodian

RBC Investor Services Trust**

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2 Swan Lane
London
EC4R 3BF

Depositary

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London
EC2M 3UR.

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* Authorised and regulated by the Financial Conduct Authority.

** Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

SLATER OEIC

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SLATER OEIC

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Slater OEIC is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000910 and is authorised and regulated by the Financial Conduct Authority with effect from 22 August 2011. The shareholders are not liable for the debts of the Company.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub-fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle these liabilities.

The Company currently has one sub-fund, the Slater Income Fund (formerly MFM Slater Income Fund).

Investment objectives

Slater Income Fund

The investment objective of the Fund is to produce an attractive and increasing level of income while additionally seeking long term capital growth by investing predominantly in the shares of UK listed companies across the full range of market capitalisations, including those listed on the Alternative Investment Market (AIM). From time to time the Fund may also hold the shares of companies listed overseas as well as cash, money market instruments, the units of collective investment schemes, bonds and warrants as permitted by the rules applicable to UCITS schemes and the Prospectus.

It is intended that the assets of the Fund will be managed so that it is eligible for quotation in the Investment Association's UK Equity Income sector.

The Fund has powers to borrow as specified in the FCA Collective Investment Schemes Sourcebook and may use derivatives for hedging and efficient portfolio management purposes only.

Rights and terms attaching to each share class

Each share of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each share in the event the Fund is wound up are on the same proportional basis.

Change in prospectus

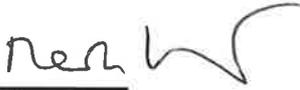
A letter was sent to Shareholders on 31 May 2017, notifying them of changes to Slater OEIC, which became effective on 7 August 2017. These include a change of ACD, Depository, Administrator and Registrar, consequential amendments to charges as a result of these changes, and a change in the name of the Company and the Sub-Fund.

Up to date key investor information documents, the full prospectus and reports and accounts for any fund can be requested by the investor at any time.

SLATER OEIC

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



Mark Slater

Director

SLATER INVESTMENTS LIMITED

4 December 2017

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT

Report for the half year to 31st October 2017

Percentage change to 31st October 2017

	<u>Six Months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Slater Income Fund A Acc	1.80%	13.23%	N/A*	N/A*
Slater Income Fund A Inc	1.79%	13.23%	26.47%	80.68%
Slater Income Fund B Acc	2.05%	13.77%	N/A*	N/A*
Slater Income Fund B Inc	2.05%	13.77%	28.34%	85.17%
Slater Income Fund P Acc	2.18%	14.03%	N/A*	N/A*
Slater Income Fund P Inc	2.18%	14.04%	29.30%	87.26%

*23 November 2015 Inception date

On the 7th August 2017 the Fund was renamed the Slater Income Fund (formerly MFM Slater Income Fund) as Slater Investments took over as Authorised Corporate Director.

The snap General Election delivered a shock result, increasing political tensions.

Against this backdrop, during the third calendar quarter commodity stocks led the market, driven by strong economic growth in Asia, the Americas and the Eurozone. Companies serving UK consumers reported more difficult conditions as sterling's weakness continued to dampen spending on the High Street. This was compounded by an increase in the cost of petrol fuelled by a double digit increase in the crude oil price.

The Fund's 64 holdings reflected this mixed performance, with 37 generating positive returns and 27 providing a drag. We continue to live in uncertain economic and political times with the risk of a Labour government still a factor, as well as continuing uncertainty over the Brexit outcome.

It is worth recapping the Fund's objective and the way in which the portfolio has been invested. The Fund aims to provide investors with at least 110% of the IA OE UK Equity Income Sector's average dividend yield which the Fund has exceeded. The Fund's equity investments are currently yielding 4.26%, with 4.97% in prospect in twelve months. The dividends paid during the financial year are set out on page 6.

The Slater Income Fund invests across the market capitalisation spectrum in companies that offer the prospect of attractive and growing dividends as well as capital growth upside. With 90% of the high yield universe outside the top one hundred leading companies, we see no logic in restricting ourselves to large capitalisation high yielders as many income funds choose to do. So long as we can achieve reasonable aggregate liquidity, we prefer to invest on the basis of value, not size. At the period end, the portfolio was 23.95% invested in leading companies, 40.64% in the medium and small companies, 20.15% in Alternative Investment Market companies, 11.33% in other categories including overseas companies and 3.93% in cash.

The Slater Income Fund seeks to achieve a consistent performance by broadly dividing the Fund into three complementary categories: growth companies with attractive yields; dividend stalwarts with earnings pointing upwards; and high yielders with more cyclical upside whose earnings have at least reached a degree of stability. We examine each category in turn, focusing on performance during the second half of the financial year.

The first category, growth companies with attractive yields, continued to post some good gains. These businesses are typically growing their earnings at an above average rate and often boast attractive PEG (Price / Earnings Growth) ratios as well. Their earnings growth rates are steady and reliable as opposed to dynamic, usually in the 8-12% per annum range.

Growth Companies	% Contribution to performance
XLMedia	+0.90
River & Mercantile	+0.54
RPS Group	+0.46
Maintel	-0.39
ITV	-0.68

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT (CONTINUED)

The top performer amongst the Fund's growth investments was XLMedia, which lifted interim profits by 23% and its dividend by 5%. Its share price responded positively rising by 55% over the period. The company is actively pursuing a strategy of diversification. Following a number of bolt-on acquisitions the company's revenues are now less skewed towards gambling, which accounts for 57% of the group total, down from 70%. The remaining 43% is now derived from other verticals including gaming, mobile applications, software, utilities, e-commerce and finance.

Its most recent acquisitions include a mobile performance marketing platform, a leading Canadian credit card comparison website and a US cyber security comparison website. The company's business model continues to be asset-light with a high degree of recurring revenue which delivers high levels of free cash flow and a 40% cash adjusted return on capital employed underpinning the 3.73% prospective dividend yield.

Other contributors of note (+0.30% or more) included fund management group River & Mercantile whose shares rose 27%. At the end of October the company reported net outflows of 1.6% during its first quarter to 30 September, the first such event since IPO. The company always indicated that inflows and outflows from institutional clients would not be smooth across quarters and redemptions were concentrated in low margin fiduciary management and derivative solutions. Brokers nudged up their forecasts on the back of higher performance fees and the company continued to point to a strong pipeline of mandates.

RPS, the project consultancy, reported a healthy 35% rise in interim adjusted earnings. The company has now diversified away from the oil and gas sector, which fell 20% in the half but now accounts for only 18% of turnover. Broker forecasts have risen steadily and the shares rose 16% during the period. The steadying of energy prices also suggests the worst is over for that sector. In the US, Trump appears to favour spending on both infrastructure and domestic energy production, which could be positive for the company.

Detractors of note (-0.30% or more) included Maintel Holdings. Trading in the first half was adversely impacted by a delay in one of its main suppliers, Avaya, exiting Chapter 11 in the US, a type of temporary protection from creditors. This led some large customers delaying new installations, which, in turn, led to modest broker downgrades. This situation, however, appears to be one-off and temporary with management confident that orders are postponed, not lost. Avaya should now exit Chapter 11 in December. On the plus side, growth of cloud services accelerated beyond management expectations with particular success amongst larger customers (2,500+ seats) and was behind the 55% growth in contracted seats at the Network Services division. The company remains attractively valued on a single digit multiple and prospective dividend yield of 4.7% even after the broker downgrade.

ITV shares continued to struggle, falling 22% during the period. The bigger picture is the shift in audience viewing to online and streaming video on demand (e.g. Netflix) and the impact that this is having on net advertising revenues, which are continuing to decline. In interims to June net advertising revenues fell 7.8%. The next set of numbers will be in mid-November. In ITV Studios, the company has valuable content and remains a potential takeover target. One potential suitor with a 9.9% stake in ITV is Liberty Global, which has already acquired other free to air broadcasters in Europe for their ownership of content and audience reach. The prospective dividend yield is an attractive 5.2%.

Stalwart Companies	% Contribution to performance
Royal Dutch Shell	+0.66
Strix	+0.47
Legal & General	+0.33
National Grid	-0.32
Greene King	-0.40
Imperial Brands	-0.65
Marston's	-0.70

The top performer during the first half in the dividend stalwarts category was Royal Dutch Shell. The share rose 18% during the period, boosted by the rise in the price of crude oil. The yield remains a very satisfactory 6%. The global economic upswing is overcoming concerns about rising shale oil production in the US. Disruption from hurricanes has also lifted the West Texas prices. Despite the justified excitement over electric cars, oil demand is still rising.

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT (CONTINUED)

Other contributors of note (+0.30% or more) included Strix Group, which floated in August with the compelling prospect of a 7% yield. Based in the Isle of Man, the company supplies boil cut-off controls for kettles. By value it has over half the world market. This is a mature market so we classify Strix as a stalwart. However, there are interesting prospects for a machine which heats and filters baby's milk. The target market is China, famous for its one-child policy and where parents still remember early baby milk scandals. Opening at 100p, the shares closed the third calendar quarter at 137.5p.

At its interims Legal & General (up 8%) confirmed that over a number of years there has been a higher rate of mortality amongst pensioners which has led to a change in base mortality assumptions for its annuity book and a consequent release of £126m from reserves. The market now believes that further releases will be made in 2018 and 2019. This has led to broker upgrades. The share offers an attractive prospective dividend yield of 5.9%.

Detractors of note (-0.30% or more) included National Grid. Sentiment towards the share (down 9%) was not helped by Ofgem challenging part of the cost allowance proposed by National Grid in respect of the Hinkley Point C nuclear plant power transmission connection. Although not material in the immediate term, it suggests increasing pressure from the regulator to reduce costs and represents a potential threat to asset growth and returns.

Greene King and Marston's retreated by 28% and 25% respectively. The poor summer weather was unhelpful and consumer spending is under pressure because of rising food prices. This has led to a steady flow of downgrades to earnings forecasts, taking both shares to levels seen in 2008. Both shares are now rated close to net asset value.

Imperial Brands fell 19% although it ended the third calendar quarter with a trading statement that confirmed performance is on track. Investors are understandably concerned about the threat of aggressive action by US health regulators. Post period end the company announced that it is stepping up its activities in next generation products with new e-vapour launches and will commence consumer trials of heated tobacco products shortly. The forward Price to Earnings Ratio of 11.1 and the prospective yield of 6% remain attractive. Nevertheless, we are reviewing the position.

Cyclical Companies	% Contribution to performance
Forterra	+0.70
Morgan Sindall	+0.63
Rio Tinto	+0.63
Ocean Wilsons	+0.39
Galliford Try	-0.38
Kier Group	-0.46

The cyclical category saw a number of companies making meaningful gains. These high yielding companies have more cyclical upside potential with the important caveat that we believe their earnings have reached a degree of stability. These are not aggressive recovery plays. Instead, they are solid businesses that offer the prospect of significant earnings growth when the tide turns and a healthy yield while we wait.

Forterra is a play on rising housing output, whether public or private. Its shares continue their excellent run. First half earnings per share rose a sedate 5%, but the full year consensus is for a 39% increase. The share rose 27% during the period.

Morgan Sindall shares continued to make a positive contribution, rising a further 36%. The Fund has sold most of its exposure to private housebuilders but is happy to back this builder because it supplies social housing, a sector which both political parties have pledged to support. Underlining this excellent positioning, first half adjusted earnings per share rose 46%. The office fit-out division is currently trading strongly but may face a downturn two years from now. This is already reflected in forecasts and leaves plenty of time for a further rebalancing.

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT (CONTINUED)

Copper prices have risen 40% since the lows of 2016, which helped lift Rio Tinto shares by 16%. Why no more? Because iron ore is a much more important metal for the company than copper and its price remains range bound although it did enjoy a higher average price during the third calendar quarter. China's economy seems to be regaining momentum, helping consensus earnings forecast double for Rio over the last year. This followed the interims which showed underlying profits of \$3.94bn, up from \$1.56bn. Solid cash generation enabled the company to double its share buyback programme to \$2.5bn.

Ocean Wilsons reported solid third quarter trading with container terminals outperforming weaker offshore energy operations. Imports and exports to Brazil continue to recover, and, if this trend continues, the company should benefit from positive operational gearing, which should offset ongoing weakness in demand for platform supply vessels. The holding company's Price to Net Asset Value discount to underlying assets, at 35%, remains well above the long-term average of 28%. Ocean retains an attractive prospective dividend yield of 4.2%.

Detractors (-0.30% contribution or more) in the high yielding, cyclical category included Galliford Try (see comment on housebuilders below) and construction company Kier Group, whose shares fell 22%. Galliford Try was sold and the latter, as part of its Vision 2020 strategy, is undergoing a major transformation shifting the focus of its business more towards infrastructure and maintenance as it seeks to bolster its thin construction margins.

During the period various new investments were established including Arena Events Group, Capita, McColl's Retail Group, PRS REIT, Safecharge International, Strix Group, STV Group and Supermarket Income REIT.

The Fund also added to its investments in a range of companies, including Centaur Media, Chesnara, GlaxoSmithKline, Hollywood Bowl, Imperial Brands, Kier Group, Lakehouse, Lloyds, Marston's, NAHL Group, Ocean Wilsons, Palace Capital, Randall & Quilter, Rio Tinto, River & Mercantile, Royal Dutch Shell and Royal Mail.

A number of holdings were sold including Centrica, Laura Ashley, Redde, Segro and Stobart Group. The Fund also exited its positions in housebuilders Bellway, Galliford Try and Taylor Wimpey. Though sales rates and house prices remain robust, we are fearful that the Government will be forced to take more radical action to address the housing shortage. The Help to Buy scheme, which funds 40% of new house sales, is driving up prices and not increasing supply. After very strong gains in recent years, valuations are at levels which would not accommodate any changes to Government support schemes, labour costs or house prices.

The Fund reduced its positions in Brewin Dolphin, City of London Investment Group, Close Brothers, Communisis, Hansard Global, Phoenix Group and Telford Homes.

The Fund has performed strongly since inception and it continues to offer the potential for medium term capital appreciation as well as offering a compelling and growing dividend yield.

Our focus remains on the underlying operating performance of the businesses we own. With a few exceptions they are trading robustly. If they continue to deliver operationally then we confidently expect their share prices to appreciate meaningfully over the medium term.

Value is evident in the market as measured by some of the high yields still on offer from a significant number of UK stocks, a number of which are detailed above. In the meantime, it is encouraging to see that the share prices of many of our holdings are still recovering nicely following a volatile 2016.

Slater Investments Limited.
1 December 2017

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT (CONTINUED)

Distributions (pence per share)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Class A Income</u>				
Net income paid 31 March	1.0024	0.9911	0.7721	0.8401
Net income paid 30 June	2.8102	2.5361	2.2730	1.8321
Net income paid 30 September	1.4193	1.4346	1.1607	1.2345
Net income paid 31 December	2.1567	2.3841	2.0952	1.9128
<u>Class A Accumulation</u>				
Net income paid 31 March	1.0524	0.9899	N/A	N/A
Net income paid 30 June	2.9697	2.5528	N/A	N/A
Net income paid 30 September	1.5258	1.4683	N/A	N/A
Net income paid 31 December	2.3390	2.4640	N/A	N/A
<u>Class B Income</u>				
Net income paid 31 March	1.0280	1.0101	0.7840	0.8489
Net income paid 30 June	2.8859	2.5922	2.3117	1.8539
Net income paid 30 September	1.4588	1.4675	1.1815	1.2504
Net income paid 31 December	2.2200	2.4426	2.1360	1.9381
<u>Class B Accumulation</u>				
Net income paid 31 March	1.0791	1.0100	N/A	N/A
Net income paid 30 June	3.0493	2.6089	N/A	N/A
Net income paid 30 September	1.5680	1.5019	N/A	N/A
Net income paid 31 December	2.4072	2.5240	N/A	N/A
<u>Class P Income</u>				
Net income paid 31 March	1.0322	1.0118	0.7835	0.8463
Net income paid 30 June	2.8999	2.5987	2.3118	1.8493
Net income paid 30 September	1.4665	1.4719	1.1820	1.2591
Net income paid 31 December	2.2333	2.4516	2.1386	1.9510
<u>Class P Accumulation</u>				
Net income paid 31 March	1.0835	1.0118	N/A	N/A
Net income paid 30 June	3.0639	2.6153	N/A	N/A
Net income paid 30 September	1.5761	1.5063	N/A	N/A
Net income paid 31 December	2.4215	2.5331	N/A	N/A

**SLATER OEIC
SLATER INCOME FUND**

FUND MANAGER'S REPORT (CONTINUED)

Material portfolio changes

For the six month period ended 31 October 2017

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
STV Group	2,782,714	Stobart Group	3,292,940
Supermarket Income REIT	2,500,000	Bellway	2,772,422
Randall & Quilter Investment Holdings	2,180,407	Galliford Try	2,320,962
Strix Group	1,500,000	Centrica	1,856,221
Capita Group	1,397,496	Segro	1,569,298
Hollywood Bowl Group	1,384,953	Redde	1,218,311
SafeCharge International	1,363,220	Taylor Wimpey	1,139,883
Ocean Wilsons Holdings	1,239,620	Telford Homes	756,837
Centaur Media	1,193,556	Phoenix Group Holdings	753,985
Palace Capital	1,190,000	Brewin Dolphin Holdings	687,472
PRS REIT	1,109,797	Land Securities Group	498,164
Royal Dutch Shell 'B'	1,071,396	City of London Investment Group	494,955
Arena Events Group	1,036,129	Close Brothers Group	258,893
Kier Group	952,561	National Grid	242,160
Rio Tinto	618,088	Ashley (Laura) Holdings	232,168
NAHL Group	577,346	Communis	107,655
Royal Mail	555,110	Hansard Global	87,949
Marston's	445,395	Royal Dutch Shell 'B'	74,184
GlaxoSmithKline	420,404	Randall & Quilter Investment Holdings	24,237
McColl's Retail Group	402,004		
Other purchases	1,278,917		
Total purchases for the period	25,199,113	Total sales for the period	18,388,696

**SLATER OEIC
SLATER INCOME FUND**

FUND INFORMATION

Price and distribution record

Income shares (Class A and B) were first offered at 100p on 19 September 2011. On 31 December 2012 Class P shares became available for purchase. Accumulation shares (Class A, B, and P) became available for purchase on 30 November 2015.

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Income</u>			
30 April 2015	160.98p	139.04p	6.1924p
30 April 2016	167.58p	144.97p	6.7831p
30 April 2017	164.97p	133.28p	7.6313p
30 April 2018**	165.26p	159.24p	3.5760p
<u>Class A Accumulation</u>			
30 April 2016*	164.18p	145.93p	3.5427p
30 April 2017	174.33p	136.43p	7.9544p
30 April 2018**	179.10p	172.71p	3.8648p
<u>Class B Income</u>			
30 April 2015	163.76p	141.09p	6.2842p
30 April 2016	170.92p	148.09p	6.9198p
30 April 2017	169.49p	136.41p	7.8240p
30 April 2018**	170.05p	163.92p	3.6788p
<u>Class B Accumulation</u>			
30 April 2016*	167.54p	149.04p	3.6189p
30 April 2017	179.08p	139.60p	8.1543p
30 April 2018**	184.39p	177.75p	3.9752p
<u>Class P Income</u>			
30 April 2014	151.43p	122.53p	6.0614p
30 April 2015	163.79p	140.93p	6.3054p
30 April 2016	171.17p	148.41p	6.9311p
30 April 2017	170.35p	136.84p	7.8556p
30 April 2018**	171.11p	164.91p	3.6998p
<u>Class P Accumulation</u>			
30 April 2016*	167.83p	149.37p	3.6271p
30 April 2017	179.98p	140.03p	8.1868p
30 April 2018**	185.53p	178.80p	3.9976p

* period from 30 November 2015 to 30 April 2016

** six month period to 31 October 2017

**SLATER OEIC
SLATER INCOME FUND**

FUND INFORMATION (CONTINUED)

Number of shares in issue/Net asset value per share

	Net asset value of scheme property	Number of shares in Issue	Net asset value per share
<u>Class A Income</u>			
30 April 2014	£6,969,468	4,744,777	146.89p
30 April 2015	£7,221,395	4,638,749	155.68p
30 April 2016	£3,547,170	2,356,864	150.50p
30 April 2017	£3,059,341	1,896,446	161.32p
31 October 2017	£3,023,205	1,880,058	160.80p
<u>Class A Accumulation</u>			
30 April 2016	£426,090	276,583	154.05p
30 April 2017	£542,082	312,526	173.45p
31 October 2017	£598,929	338,853	176.75p
<u>Class B Income</u>			
30 April 2014	£32,077,770	21,571,077	148.71p
30 April 2015	£31,540,667	19,912,709	158.39p
30 April 2016	£21,347,230	13,870,211	153.91p
30 April 2017	£20,788,522	12,542,212	165.75p
31 October 2017	£20,707,444	12,501,670	165.64p
<u>Class B Accumulation</u>			
30 April 2016	£8,425,127	5,348,943	157.51p
30 April 2017	£9,582,463	5,377,991	178.18p
31 October 2017	£9,837,367	5,405,023	182.00p
<u>Class P Income</u>			
30 April 2014	£7,117,975	4,797,048	148.38p
30 April 2015	£25,886,283	16,338,568	158.44p
30 April 2016	£70,971,178	45,986,655	154.33p
30 April 2017	£75,197,292	45,138,421	166.59p
31 October 2017	£81,876,945	49,118,414	166.69p
<u>Class P Accumulation</u>			
30 April 2016	£8,511,678	5,389,342	157.94p
30 April 2017	£13,131,089	7,332,724	179.08p
31 October 2017	£14,268,373	7,790,789	183.14p
Ongoing charges			
	<u>Class A</u>	<u>Class B</u>	<u>Class P</u>
30 April 2017	1.55%	1.05%	0.80%
31 October 2017	1.56%	1.06%	0.81%

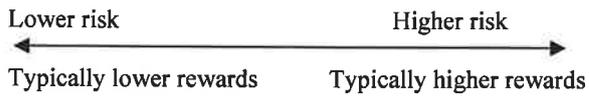
The ongoing charge figure is based on expenses for the year. This figure may vary from year to year. It excludes:

- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

**SLATER OEIC
SLATER INCOME FUND**

FUND INFORMATION (CONTINUED)

Synthetic risk and reward indicator



1	2	3	4	5	6	7
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The risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

This Fund has been measured as 4 because it has experienced moderate volatility historically.

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement
as at 31 October 2017

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'17 %	30 Apr'17 %
BANKS				
4,262,393	Lloyds Banking Group	2,909,083	2.23	
	Total Banks	2,909,083	2.23	2.38
CONSTRUCTION & MATERIALS				
550,000	Eurocell	1,347,500	1.03	
1,250,000	Forterra	3,737,500	2.88	
250,000	Kier Group	2,600,000	2.00	
200,000	Morgan Sindall Group	2,888,000	2.22	
	Total Construction & Materials	10,573,000	8.13	7.24
EQUITY INVESTMENT INSTRUMENTS				
1,200,000	John Laing Environmental Assets Group	1,308,000	1.00	
	Total Equity Investment Instruments	1,308,000	1.00	1.08
FINANCIAL SERVICES				
750,000	Brewin Dolphin Holdings	2,649,000	2.03	
468,750	City of London Investment Group	1,906,641	1.46	
109,415	Close Brothers Group	1,519,774	1.17	
300,000	Liontrust Asset Management	1,455,000	1.12	
366,183	Mortgage Advice Bureau Holdings	1,812,606	1.39	
836,615	River and Mercantile Group	2,886,322	2.22	
	Total Financial Services	12,229,343	9.39	11.36
GAS, WATER & MULTIUTILITIES				
263,083	National Grid	2,381,690	1.83	
	Total Gas, Water & Multiutilities	2,381,690	1.83	4.03
GENERAL RETAILERS				
170,183	McColl's Retail Group	485,022	0.37	
	Total General Retailers	485,022	0.37	0.20
HOUSEHOLD GOODS & HOME CONSTRUCTION				
310,000	Telford Homes	1,270,225	0.97	
	Total Household Goods & Home Construction	1,270,225	0.97	7.28

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement (continued)
as at 31 October 2017

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'17 %	30 Apr'17 %
INDUSTRIAL TRANSPORTATION				
360,000	Ocean Wilsons Holdings	4,176,000	3.19	
710,000	Royal Mail	2,655,400	2.04	
	Total Industrial Transportation	6,831,400	5.23	6.57
LEISURE GOODS				
1,250,000	Photo-Me International	2,234,375	1.71	
	Total Leisure Goods	2,234,375	1.71	1.72
LIFE INSURANCE				
1,263,481	Chesnara	4,848,608	3.72	
575,950	Hansard Global	495,317	0.38	
1,700,000	Legal & General Group	4,539,000	3.48	
520,000	Phoenix Group Holdings	3,936,400	3.02	
	Total Life Insurance	13,819,325	10.60	11.27
MINING				
144,352	Rio Tinto	5,122,331	3.93	
	Total Mining	5,122,331	3.93	3.16
MEDIA				
5,025,000	Centaur Media	2,688,375	2.06	
2,025,000	ITV	3,329,100	2.55	
1,131,536	NAHL Group	1,674,673	1.29	
1,758,847	XLMedia	3,042,805	2.34	
730,000	STV Group	2,584,200	1.99	
	Total Media	13,319,153	10.23	7.00
NONLIFE INSURANCE				
2,382,733	Randall & Quilter Investment Holdings	3,335,826	2.56	
	Total Nonlife Insurance	3,335,826	2.56	0.74
OIL & GAS PRODUCERS				
205,000	Royal Dutch Shell 'B'	4,963,049	3.81	
	Total Oil & Gas Producers	4,963,049	3.81	2.61

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement (continued)
as at 31 October 2017

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'17 %	30 Apr'17 %
PHARMACEUTICALS & BIOTECHNOLOGY				
209,550	GlaxoSmithKline	2,843,594	2.18	
	Total Pharmaceuticals & Biotechnology	2,843,594	2.18	2.31
REAL ESTATE INVESTMENT & SERVICES				
368,000	Lok'nStore Group	1,343,200	1.03	
724,000	Palace Capital	2,425,400	1.86	
	Total Real Estate Investment & Services	3,768,600	2.89	2.36
REAL ESTATE INVESTMENT TRUSTS				
4,071,574	Assura Group	2,459,231	1.89	
1,000,000	Hansteen Holdings	1,370,000	1.05	
113,694	Land Securities Group	1,098,284	0.84	
1,200,000	Regional REIT	1,248,000	0.96	
1,109,797	PRS REIT	1,159,738	0.89	
2,500,000	Supermarket Income REIT	2,493,750	1.92	
	Total Real Estate Investment Trusts	9,829,003	7.55	6.83
SOFTWARE & COMPUTER SERVICES				
740,000	Redcentric	593,850	0.46	
488,421	SafeCharge International	1,489,684	1.14	
	Total Software & Computer Services	2,083,534	1.60	0.54
SUPPORT SERVICES				
593,458	Communis	320,467	0.25	
235,000	Gattaca	716,750	0.55	
2,514,091	Lakehouse	1,030,777	0.79	
325,627	Maintel Holdings	2,491,047	1.91	
1,280,000	RPS Group	3,766,400	2.89	
200,000	Capita Group	1,048,000	0.80	
	Total Support Services	9,373,441	7.19	6.65
TECHNOLOGY HARDWARE & EQUIPMENT				
945,000	Amino Technologies	1,757,700	1.35	
1,500,000	Strix Group	2,096,250	1.61	
	Total Technology Hardware & Equipment	3,853,950	2.96	1.64

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement (continued)
as at 31 October 2017

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'17 %	30 Apr'17 %
TOBACCO				
130,038	Imperial Brands	3,992,167	3.05	
	Total Tobacco	3,992,167	3.05	3.69
TRAVEL & LEISURE				
273,000	Greene King	1,474,200	1.13	
1,625,000	Hollywood Bowl Group	2,957,500	2.28	
2,770,706	Marston's	2,953,573	2.27	
1,880,000	Arena Events Group	1,146,800	0.88	
	Total Travel & Leisure	8,532,073	6.56	5.56
	Portfolio of investments	125,058,184	95.97	96.22
	Net current assets on capital account	5,254,079	4.03	3.78
	Net assets	130,312,263	100.00	100.00

Portfolio transactions for the six months ended 31 October 2017

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at 12 noon on 31 October 2017, being the last valuation point of the period. Market value is defined by the SORP as fair value which is generally the bid value of each security. Where applicable investments are valued to exclude accrued income. Where a stock is unlisted or where there is an illiquid market, a valuation for this stock has been obtained from market makers where possible, and suspended stocks are normally valued at their suspension price. However, where the ACD believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the ACD reflects a fair and reasonable price for that investment.

	£
Total purchases, including transaction charges	25,199,113
Total sales proceeds, net of transaction charges	18,388,696

**SLATER OEIC
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 31 October 2017**

Statement of total return

	31 October 2017		31 October 2016	
	£	£	£	£
Income				
Net capital gains		567,857		(693,259)
Revenue	2,843,055		2,971,040	
Expenses	(574,538)		(509,582)	
Net (expense)/revenue before taxation	<u>2,268,517</u>		<u>2,461,458</u>	
Taxation	<u>-</u>		<u>-</u>	
Net (expense)/revenue after taxation		<u>2,268,517</u>		<u>2,461,458</u>
Total return before distributions		2,836,374		1,768,199
Distributions		(2,870,944)		(2,893,356)
Change in net assets attributable to shareholders from investment activities		<u>(34,570)</u>		<u>(1,125,157)</u>

Statement of changes in net assets attributable to shareholders

	31 October 2017		31 October 2016	
	£	£	£	£
Opening net assets attributable to shareholders		*122,300,789		**113,228,472
Amounts receivable on issue of shares	11,497,922		6,803,348	
Amounts payable on cancellation of shares	(3,986,971)		(7,341,945)	
Amounts receivable on share class conversions	<u>-</u>		<u>1</u>	
		7,510,951		(538,596)
Change in net assets attributable to shareholders from investment activities (see above)		(34,570)		(1,125,157)
Retained distributions on accumulation shares		535,093		479,667
Closing net assets attributable to shareholders		<u>130,312,263</u>		<u>112,044,386</u>

*As at 30 April 2017

**As At 30 April 2016

**SLATER OEIC
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 31 October 2017**

Balance sheet

	31 October 2017		30 April 2017	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		125,058,184		117,679,551
Current Assets				
Debtors	708,015		1,855,671	
Cash and cash equivalents	<u>6,006,231</u>		<u>6,733,957</u>	
Total other assets		<u>6,714,246</u>		<u>8,589,628</u>
Total assets		<u>131,772,430</u>		<u>126,269,179</u>
LIABILITIES				
Creditors				
Distribution payable on income shares	1,415,063		1,724,232	
Other creditors	<u>45,104</u>		<u>2,244,158</u>	
Total liabilities		<u>1,460,167</u>		<u>3,968,390</u>
Net assets attributable to shareholders				
		<u>130,312,263</u>		<u>122,300,789</u>

Notes to the interim financial statements

Basis of preparation

The financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2017 and are described in those annual financial statements.



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Slater Investments Limited (Reg. No.2863882), is registered in England and Wales, and is authorised and regulated in the UK by the Financial Conduct Authority.

