



Mid Wynd International  
Investment Trust *PLC*

Half-Yearly Financial Report

for the six months ended 31 December 2022

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# COMPANY OVERVIEW

Net asset value per share

**703.40p**

Regular interim dividend per share

**3.85p**

Growth over 5 years: 113%

Net asset value total return

**2.63%**

Growth over 5 years: 55.83%

## Percentage total return



Our purpose is to increase the real wealth and prosperity of our shareholders, thus helping them meet their long-term savings needs.

Through our investment company structure, we enable shareholders, large or small, to invest in an actively-managed diversified portfolio of securities in a cost-effective way, giving them access to the growth opportunities offered by world markets. Although the Company aims to provide dividend growth over time, its primary aim is to maximise total returns to shareholders.

The Investment Manager's approach is to identify reliable commercial trends around the world which are likely to deliver superior growth for our investors. The aim is to run a diversified portfolio of 55-75 holdings spread across 8-10 different themes such as automation or healthcare. Where appropriate, the Company will use gearing with a view to enhancing shareholder returns.

## Dividends pence per ordinary share paid/payable



# FINANCIAL HIGHLIGHTS

|                                        | Six months<br>ended<br>31 December<br>2022 | Six months<br>ended<br>31 December<br>2021 | Year ended<br>30 June<br>2022 |
|----------------------------------------|--------------------------------------------|--------------------------------------------|-------------------------------|
| <b>Total returns</b>                   |                                            |                                            |                               |
| Net asset value per share <sup>†</sup> | 2.6%                                       | 10.5%                                      | -7.5%                         |
| Share price <sup>†</sup>               | 4.0%                                       | 11.9%                                      | -9.5%                         |
| MSCI All Country World Index (GBP)     | 3.3%                                       | 7.7%                                       | -4.2%                         |
| <b>Revenue and dividends</b>           |                                            |                                            |                               |
| Revenue earnings per share             | 5.64p                                      | 3.78p                                      | 11.72p                        |
| Dividends per share*                   | 3.85p                                      | 3.50p                                      | 7.20p                         |
| Special dividend per share             | nil                                        | nil                                        | 3.00p                         |
| Ongoing charges <sup>†**</sup>         | 0.60%                                      | 0.64%                                      | 0.60%                         |
| <b>Capital</b>                         |                                            |                                            |                               |
|                                        | As at<br>31 December<br>2022               | As at<br>31 December<br>2021               | As at<br>30 June<br>2022      |
| Net asset value per share              | 703.40p                                    | 829.82p                                    | 692.01p                       |
| Share price                            | 714.00p                                    | 860.00p                                    | 693.00p                       |
| Net cash/(gearing) <sup>†</sup>        | 1.3%                                       | (0.4%)                                     | 0.3%                          |
| Premium <sup>†</sup>                   | 1.5%                                       | 3.6%                                       | 0.1%                          |

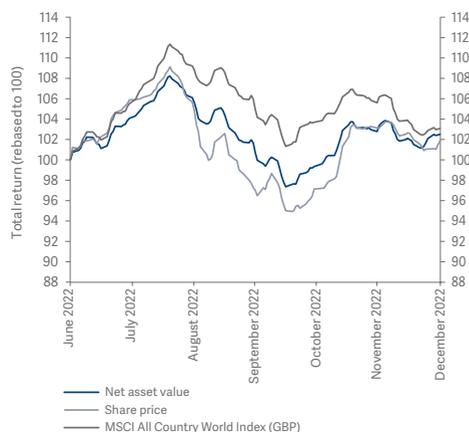
Source: Artemis/Datastream.

<sup>†</sup> Alternative Performance Measure (see Glossary on page 23).

\* The interim dividend for the six months to 31 December 2022 will be paid on 31 March 2023 to shareholders on the register at the close of business on 10 March 2023.

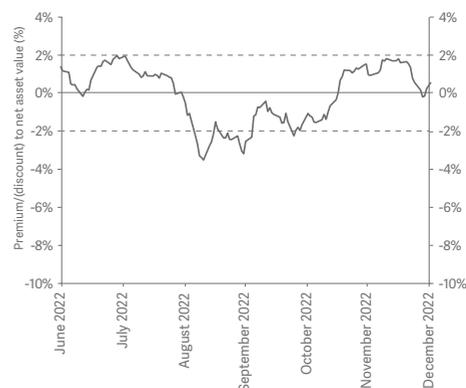
\*\* Look-through costs of underlying investment company holdings not included.

## Performance for the six months ended 31 December 2022



Source: Datastream/Morningstar.  
 All figures based on a rolling weekly average.

## Premium/(discount) during the six months ended 31 December 2022



Source: Datastream/Morningstar.  
 All figures based on a rolling weekly average.

| Total returns to 31 December 2022      | 3 years | 5 years | Since 1 May 2014** | 10 years |
|----------------------------------------|---------|---------|--------------------|----------|
| Net asset value per share <sup>†</sup> | 25.2%   | 55.8%   | 184.4%             | 246.2%   |
| Share price <sup>†</sup>               | 22.7%   | 54.1%   | 192.1%             | 262.6%   |
| MSCI All Country World Index (GBP)     | 23.9%   | 45.1%   | 141.3%             | 191.1%   |

Source: Artemis/Datastream/Morningstar.

\*\* The date when Artemis was appointed as Investment Manager.

<sup>†</sup> Alternative Performance Measure (see Glossary on page 23).

# CHAIRMAN'S STATEMENT

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## Performance

For the six months ended 31 December 2022 the Company's share price rose 4.0%, on a total-return basis (with dividends assumed to be re-invested). This compares to a total return from the MSCI All Country World Index (GBP) of 3.3%.

The Company's net asset value ('NAV') per share rose 2.6% on a total-return basis. Since Artemis' appointment, as Investment Manager on 1 May 2014, the net asset value per share has increased by 184.4%, on a total-return basis, against the comparator index increase of 141.3%.

As at 31 December 2022 the share price stood at a 1.5% premium to net asset value. The Company's policy, within normal market conditions, is to issue and repurchase shares where necessary to maintain the share price within a 2% band relative to the net asset value. Our Investment Manager assesses the Company's NAV on a real time basis when buying or selling the Company's shares. As highlighted previously, this is not a perfect science and in periods where markets are particularly volatile the share price may lie outside this range for very short periods. The volatile market conditions experienced during the first half of the year are reflective in the average discount to NAV which was 0.2% for the period. Many investment companies have either found their shares trading at a discount in this period and/or have had to buy back their own shares to manage that discount. That the Company's shares traded at a premium to NAV at the end of the period is particularly encouraging and Mid Wynd is one of the few equity focused investment trusts to find itself in such a strong position.

Further details on the performance of the Company during the period are included in the Investment Manager's review.

## Earnings and dividend

The net return for the six months to 31 December 2022 was a gain of 17.65 pence per share, comprising a revenue gain of 5.64 pence per share and a capital gain of 12.01 pence per share. The Board is proposing an interim dividend of 3.85 pence per share which will be paid on 31 March 2023 to those shareholders on the register at the close of business on 10 March 2023. This represents an increase of 10% on last

year's interim dividend of 3.50 pence. Net revenue pence per share this period increased by 49% on the equivalent period to December 2021. As noted in the Annual Report to June 2022, the Investment Manager adjusted the portfolio towards investment in higher yielding companies and this period's increase in earnings is a continued reflection of that investment decision. It continues to be the aim of the Board to grow the dividend when revenue levels allow whilst at the same time providing flexibility to the Investment Manager. It is important that the Investment Manager retains the flexibility to invest in the shares of lower yielding companies if this is where the best opportunities arise. Investors should see the growth in their regular dividend as indicative of the level of growth directors believe to be progressive; one that will not compromise the investment flexibility of our Investment Manager.

## Share capital

Despite demand for the Company's shares being affected by the challenging market conditions, a total of 1,133,200 ordinary shares were issued during the period from 1 July 2022 to 31 December 2022. This includes 163,200 ordinary shares which were issued from treasury, having been bought back earlier in the quarter to help manage a period of discount.

The shares issued raised net £8.2 million. The issuances during the period, excluding those from treasury, represent an increase of 1.5% on the share capital balance at the start of the period.

Following the period end, 325,000 ordinary shares were bought back and are held in treasury.

## Borrowings

As at 31 December 2022 the Company had drawn funds of US\$15.5 million; equating to £12.9 million. This compares with the drawn funds as at 30 June 2022 of US\$2 million and £5 million; equating to £6 million. The Company repaid the Euro element of the loan facility during the period.

The Company is in a net cash position of 1.3% at the period end. The level of cash balances versus borrowings changes on a daily basis depending on investment activity. The instant availability of the borrowed funds gives the Investment Manager the ability to react quickly to market opportunities

including buying the Company's own shares when at a greater than 2% discount to NAV whilst having the ability to drawdown further funds provides the ongoing flexibility required. Further details can be found in the Glossary on page 23.

## Board succession

As noted in the 2022 Annual Report, Harry Morgan (Senior Independent Director) stepped down from the Board at the 2022 Annual General Meeting in October, having served as a Director since 2012. Hamish Baillie was appointed as an independent non-executive Director with effect from 1 November 2022 and David Kidd assumed the role of Senior Independent Director upon Harry's retirement. Hamish Baillie is an experienced investment practitioner who spent twenty years at Ruffer LLP where he managed an investment trust. His knowledge of investment matters is complemented by an understanding of the savings market and the wealth management industry. I would like to welcome Hamish to the Board.

## Management changes

Simon Edelsten, lead manager of Mid Wynd, will retire as a partner of Artemis Investment Management LLP ("Artemis") towards the end of 2023. Alex Illingworth is also leaving Artemis. Simon Edelsten and Alex Illingworth have overseen a highly successful period in our Company's history. Since they took control of the portfolio, in May 2014, until 31 December 2022 the total return of Mid Wynd of 184% has been significantly ahead of the MSCI All Country World Index (GBP) return of 141%. The Board would like to thank them both for their service to our shareholders over what have been tumultuous years in global financial markets.

On 1 March 2023 Alex Stanic will join Artemis from JP Morgan Asset Management's international equity group and will be responsible, with his new team, for managing our Company's assets. He spent seven years at JP Morgan, where he led on the global equity funds in the Global Specialist team, including the Global Unconstrained Equity Fund. Prior to that he was head of global equities at River & Mercantile, a division he set up in 2009. In due course Alex Stanic will be joined by two other new members of the global equity team to supplement analysts, Bobby Powar and May Laghzaoui.

It is not expected that the change in management will lead to any significant changes to the Company's investment focus, which is to identify investment themes likely to generate long term growth for shareholders. Simon will work closely with Alex Stanic and the wider team and is likely to hand over fund management responsibilities at the end of September whilst remaining in an advisory capacity until the end of the year.

## Outlook

The last six months have seen a return of moderate optimism to equity markets. It is an optimism based upon the start of a decline in inflation which would almost certainly bring with it lower short-term interest rates. It is accompanied by a growing optimism that such a decline in inflation is occurring without the major contraction in economic activity that would be particularly negative for corporate earnings. A decline in inflation and interest rates combined with only a moderate decline in corporate earnings would be a powerful positive combination for equity prices. The key in securing positive real returns from equity investment is to assess whether investors are paying too much to own the corporate income streams that ultimately underpin such returns for investors over the long-term.

The US S&P500 index reached its all-time high in early January 2022 and by the end of the year it had declined by almost 20%. Over the same period the earnings per share of the index increased by 12.5%. Strong earnings growth throughout the past few years, combined with the decline in the index level in 2022, has brought the price earnings ratio for the S&P500 44% lower from its April 2021 level. The price earnings ratio for the S&P500 was 18.5X at the end of 2022 and for the MSCI World ex US index the ratio had declined to just 13.5X. We are entering an age when it will be difficult to protect savings from much higher inflation than we have become used to. These valuations give us confidence that a portfolio of carefully selected equities can provide such protection from inflation. In a highly leveraged world that cannot deal with interest rates materially above current levels the risk to equity valuations comes not primarily through rising interest rates but through an inability to grow corporate earnings. Our Investment Manager focuses on finding the companies that can deliver such earnings growth and investing our capital accordingly.

None of us can know just how painful for citizens and corporate earnings the next recession will be. However, it is worth bearing in mind the huge levels of government support for the private sector that have been put in place to mitigate the impact of higher energy prices and also of higher interest expense. In most of the developed world bankers continue to extend credit and support the private sector which is in great contrast to their actions in the more severe recessions and attendant stock market slumps of this millennium. This support for households and corporations from the government and banks does suggest that the negative impact on corporate earnings from any recession will be more muted than that to which investors have become accustomed. If the path for corporate earnings through the next recession is benign then a portfolio of well selected equities, at current valuations, can likely provide positive real returns for investors.

The key to selecting the right equities to grow real wealth in our new era is flexibility. Our Company has a particularly flexible mandate to seek to grow the real purchasing power of your savings. It can invest in any equity market in the world and given our small size, relative to many pools of capital, there are many thousands of equities offering sufficient liquidity to invest in. While we have a comparator index our Investment Manager pays little heed to it in constructing the portfolio. This provides the freedom to seek out the winners of our new era rather than being tied to the old winners that dominate stockmarket indices. The dividend policy of our Company has been adopted by the Board to ensure that portfolio construction is not constrained by the need to pursue income at the expense of growth in capital. Over many years now our Investment Manager has shown the flexibility to change their minds and change the portfolio

in reaction to changing facts and valuations. In their review, our Investment Manager reports that corporate management, the ultimate stewards of our capital, has also remained flexible and in doing so has produced surprisingly positive returns through recent difficulties.

Perhaps Yogi Berra, the famous baseball player, did actually say 'The future ain't what it used to be.' If he did then perhaps he had in mind periods like today when major structural change is underway and the future is particularly unpredictable. In this period of major change our Company retains the flexibility to adapt and seize the opportunities that change almost always brings. The winds will change and we have the flexibility to adjust our sails accordingly.

The pessimist complains about the wind.  
The optimist expects it to change.  
The realist adjusts the sails.

*William Arthur Ward: To Risk*

## Contact us

Shareholders can keep up to date with developments between formal reports by visiting [midwynd.com](http://midwynd.com) where you will find information on the Company and a factsheet which is updated monthly; along with quarterly briefings and Investment Manager presentations. In addition, the Board is always keen to hear from shareholders.

Should you wish, you can e-mail me at [midwyndchairman@artemisfunds.com](mailto:midwyndchairman@artemisfunds.com).

**Russell Napier**  
Chairman

28 February 2023

# INVESTMENT MANAGER'S REVIEW

## Review of period

The period saw more stable equity and bond markets as investors welcomed lower energy prices, but also recognised the persistence of inflation in wages. The US Federal Reserve guided markets towards higher interest rates which they expect will keep inflation under control, the Bank of England and European Central Bank followed behind and, late in the year, even the Bank of Japan showed signs of allowing higher interest rates. These higher rates seem likely to lead to recessions in major economies, but with employment levels high, the impact of these on equity valuations should be modest as long as companies with pricing power are selected.

## Performance

Global equity markets recovered modestly in the period rising 3.3% in sterling terms and the Mid Wynd net asset value increased by 2.6%. In share price terms the Company kept up with the index during the interim period, helped by a strong December where the portfolio held up well in a risk-off environment. Importantly during this time there was pressure on investment trust premiums. As a result Mid Wynd traded to a discount mid period but regained its premium by mid-November.

## Five largest stock contributors

| Company                         | Theme                | Contribution (%) <sup>†</sup> |
|---------------------------------|----------------------|-------------------------------|
| Mitsubishi UFJ                  | Digital Finance      | 0.6                           |
| LVMH Moët Hennessy              | Sustainable Consumer | 0.5                           |
| Schlumberger                    | Low Carbon World     | 0.5                           |
| Merck                           | Healthcare Costs     | 0.5                           |
| Sumitomo Mitsui Financial Group | Digital Finance      | 0.5                           |

## Five largest stock detractors

| Company   | Theme                | Contribution (%) <sup>†</sup> |
|-----------|----------------------|-------------------------------|
| Olaplex   | Sustainable Consumer | (0.6)                         |
| Sonova    | Healthcare Costs     | (0.4)                         |
| Fresenius | Healthcare Costs     | (0.4)                         |
| Apple     | Screen Time          | (0.4)                         |
| Segro     | Automation           | (0.3)                         |

<sup>†</sup>Alternative Performance Measure (see Glossary on page 23).

## Artemis investment process

Our aim is to identify areas of commercial growth around the world and invest in companies that trade on attractive valuations and give the Company exposure to this growth. We select high quality companies, with proven profitability and high levels of cash generation, preferring businesses with strong balance sheets and those that have established high barriers to entry. Such companies sometimes lag equity markets when they recover, but they tend to protect capital well when economic conditions become more testing. Over time, we have found this investment approach generally gives a solid framework to deliver consistent returns to investors.

## Current investment themes

Over the last six months our most successful themes were Digital Finance, Low Carbon World and Healthcare Costs.

**Digital Finance** – the last year has been one where macroeconomic factors have played a large role in equity markets. Inflation has eroded the margins of companies which lack competitive advantages, many technology companies have seen lower growth and found they have hired too many people, interest rates have risen to keep inflation under control. Banks in countries likely to tip into recession have performed poorly, but Asian banks and especially Japanese banks have welcomed rising interest rates as offering the prospect of higher interest margins in a recovering economy. However, we have seen such signs before only to be disappointed, so we are waiting to see how the economy fares.

**Low Carbon World** – our investments in this theme include large US oil service companies. As Europe has looked to replace Russian gas supplies, these companies have seen demand to help improve supply from existing fields, reduce methane leaks and catch up after years of low capital investment. We have avoided the traditional investments in this area, such as wind farm companies, as valuations seemed high and competition increasing.

**Healthcare Costs** – again this theme performed well, led by US health insurers. High employment levels help keep membership numbers buoyant and Americans seem wary of visiting hospitals if they can avoid it, keeping medical claim expenses low.

Our worst performing themes were **Online Services**, **Automation** and **Screen Time**. Although the portfolio has modest holdings in technology shares compared with the index, the few remaining holdings performed poorly as growth expectations disappointed and, in the case of Adobe, when the management overpaid for a large acquisition. Our automation stocks again saw delayed demand as China remained under covid lockdown – however longer-term prospects still seem very good.

## Thematic attribution

| Theme                | Contribution (%) <sup>†</sup> |
|----------------------|-------------------------------|
| Digital Finance      | 1.9                           |
| Low Carbon World     | 1.0                           |
| Healthcare Costs     | 0.7                           |
| Scientific Equipment | 0.5                           |
| Sustainable Consumer | 0.1                           |
| Materials            | 0.0                           |
| Screen Time          | (0.3)                         |
| Automation           | (0.3)                         |
| Online Services      | (0.6)                         |

## Regional attribution

| Region         | Contribution (%) <sup>†</sup> |
|----------------|-------------------------------|
| North America  | 1.6                           |
| Japan          | 1.3                           |
| Europe         | 0.4                           |
| Developed Asia | 0.2                           |
| Emerging       | (0.1)                         |
| UK             | (0.3)                         |

<sup>†</sup>Alternative Performance Measure (see Glossary on page 23).

## Outlook

We feel that investors are more realistic now about prospects than they were a year ago. The inflation which started to appear after the pandemic became more worrying when Russia invaded Ukraine, but economies have adjusted well. Headline inflation is now retreating as energy prices drop and employment remains strong. Meanwhile, after a significant fall both in equity markets and the US dollar, better value for money has started to appear for investors.

We aim to grow our investors' real wealth over time. Clearly the last year has not been one in which hoping to beat inflation has been realistic. However, persistent inflation of around, say, 4% is not at all unusual for equity investors. The companies which cope best with such inflation are the sort favoured in our investment approach: decent (though not necessarily very high) growth prospects, good barriers to entry, pricing power and strong balance sheets. Also, the spread of investments between different sectors and geographic regions avoids regional pockets of inflation or sharp currency movements playing too large a role in the overall investment outcome.

Over the last six months we have been impressed by how well our investments have coped with the economic challenges and have continued to grow their per share cash earnings – the foundation on which higher share prices are built. We believe our selected investments should continue to grow in value ahead of inflation and that their valuations today are more attractive than a year ago. For these reasons we remain confident that our portfolio is well positioned to grow investors' real wealth in the years to come.

**Simon Edelsten & Alex Illingworth**  
Fund Managers

**Bobby Power & May Laghzaoui**  
Analysts

28 February 2023

# INVESTMENTS

| Investment                            | Region              | Industry               | Theme                | Market value<br>£'000 | % of total net<br>assets |
|---------------------------------------|---------------------|------------------------|----------------------|-----------------------|--------------------------|
| <b>Equities</b>                       |                     |                        |                      |                       |                          |
| LVMH Moët Hennessy<br>Louis Vuitton   | Europe              | Consumer Discretionary | Sustainable Consumer | 14,868                | 3.2                      |
| Pfizer                                | North America       | Health Care            | Healthcare Costs     | 13,394                | 2.9                      |
| Mitsubishi UFJ Financial<br>Group     | Japan               | Financials             | Digital Finance      | 13,282                | 2.8                      |
| Unilever                              | UK                  | Consumer Staples       | Sustainable Consumer | 12,729                | 2.7                      |
| Microsoft                             | North America       | Information Technology | Online Services      | 12,180                | 2.6                      |
| Nestlé                                | Europe              | Consumer Staples       | Sustainable Consumer | 11,815                | 2.5                      |
| International Business<br>Machines    | North America       | Information Technology | Online Services      | 11,489                | 2.5                      |
| UnitedHealth Group                    | North America       | Health Care            | Healthcare Costs     | 11,290                | 2.4                      |
| Thermo Fisher Scientific              | North America       | Health Care            | Scientific Equipment | 11,290                | 2.4                      |
| Merck                                 | North America       | Health Care            | Healthcare Costs     | 11,276                | 2.4                      |
| <b>Top 10 investments</b>             |                     |                        |                      | <b>123,613</b>        | <b>26.4</b>              |
| Avery Dennison                        | North America       | Materials              | Sustainable Consumer | 10,856                | 2.3                      |
| Cie Financiere Richemont              | Europe              | Consumer Discretionary | Sustainable Consumer | 10,822                | 2.3                      |
| Humana                                | North America       | Health Care            | Healthcare Costs     | 10,596                | 2.3                      |
| Norfolk Southern                      | North America       | Industrials            | Lower Carbon World   | 10,594                | 2.3                      |
| Singapore<br>Telecommunications       | Developed Asia      | Communication Services | Screen Time          | 10,531                | 2.2                      |
| Mastercard                            | North America       | Information Technology | Digital Finance      | 10,502                | 2.2                      |
| Sumitomo Mitsui<br>Financial Group    | Japan               | Financials             | Digital Finance      | 10,415                | 2.2                      |
| Accenture                             | North America       | Information Technology | Online Services      | 10,361                | 2.2                      |
| Novo Nordisk                          | Europe              | Health Care            | Healthcare Costs     | 10,068                | 2.2                      |
| Schlumberger                          | North America       | Energy                 | Lower Carbon World   | 10,026                | 2.1                      |
| <b>Top 20 investments</b>             |                     |                        |                      | <b>228,384</b>        | <b>48.7</b>              |
| Taiwan Semiconductor<br>Manufacturing | Emerging<br>Markets | Information Technology | Automation           | 9,900                 | 2.1                      |
| Hoya                                  | Japan               | Health Care            | Automation           | 9,786                 | 2.1                      |
| Apple                                 | North America       | Information Technology | Screen Time          | 9,282                 | 2.0                      |
| Agilent Technologies                  | North America       | Health Care            | Scientific Equipment | 9,269                 | 2.0                      |
| DBS Group Holdings                    | Developed Asia      | Financials             | Digital Finance      | 9,173                 | 2.0                      |
| Union Pacific                         | North America       | Industrials            | Lower Carbon World   | 9,154                 | 2.0                      |
| PerkinElmer                           | North America       | Health Care            | Scientific Equipment | 9,023                 | 1.9                      |
| Diageo                                | UK                  | Consumer Staples       | Sustainable Consumer | 8,842                 | 1.9                      |
| Panasonic Holdings                    | Japan               | Consumer Discretionary | Lower Carbon World   | 8,666                 | 1.9                      |
| Keyence                               | Japan               | Information Technology | Automation           | 8,197                 | 1.8                      |
| <b>Top 30 investments</b>             |                     |                        |                      | <b>319,676</b>        | <b>68.4</b>              |

| Investment                                   | Region           | Industry                   | Theme                | Market value<br>£'000 | % of total net assets |
|----------------------------------------------|------------------|----------------------------|----------------------|-----------------------|-----------------------|
| Freeport-McMoRan                             | North America    | Materials                  | Lower Carbon World   | 8,179                 | 1.8                   |
| Halliburton                                  | North America    | Energy                     | Lower Carbon World   | 7,696                 | 1.6                   |
| Procter & Gamble                             | North America    | Consumer Staples           | Sustainable Consumer | 7,422                 | 1.6                   |
| Synopsys                                     | North America    | Information Technology     | Automation           | 6,800                 | 1.5                   |
| SMC                                          | Japan            | Industrials                | Automation           | 6,759                 | 1.4                   |
| Epiroc                                       | Europe           | Industrials                | Automation           | 6,521                 | 1.4                   |
| ANSYS                                        | North America    | Information Technology     | Online Services      | 6,507                 | 1.4                   |
| Mapletree Logistics Trust <sup>^</sup>       | Developed Asia   | Financials                 | Automation           | 6,233                 | 1.3                   |
| Mettler-Toledo International                 | North America    | Health Care                | Scientific Equipment | 6,036                 | 1.3                   |
| AIA Group                                    | Developed Asia   | Financials                 | Digital Finance      | 5,599                 | 1.2                   |
| <b>Top 40 investments</b>                    |                  |                            |                      | <b>387,428</b>        | <b>82.9</b>           |
| Barrick Gold                                 | North America    | Materials                  | Lower Carbon World   | 5,553                 | 1.2                   |
| Thai Beverage                                | Emerging Markets | Consumer Staples           | Sustainable Consumer | 5,184                 | 1.1                   |
| PNC Financial Services Group                 | North America    | Financials                 | Digital Finance      | 5,149                 | 1.1                   |
| ASML Holding                                 | Europe           | Information Technology     | Automation           | 4,999                 | 1.1                   |
| Alexandria Real Estate Equities <sup>^</sup> | North America    | Real Estate                | Scientific Equipment | 4,949                 | 1.1                   |
| Sonova Holding                               | Europe           | Health Care                | Healthcare Costs     | 4,667                 | 1.0                   |
| Schneider Electric                           | Europe           | Industrials                | Lower Carbon World   | 4,654                 | 1.0                   |
| Prologis (REIT) <sup>^</sup>                 | North America    | Real Estate                | Automation           | 4,590                 | 1.0                   |
| Gore Street Energy Storage Fund              | United Kingdom   | Financials                 | Lower Carbon World   | 4,460                 | 1.0                   |
| Segro (REIT) <sup>^</sup>                    | UK               | Real Estate                | Automation           | 4,456                 | 0.9                   |
| <b>Top 50 investments</b>                    |                  |                            |                      | <b>436,089</b>        | <b>93.4</b>           |
| Trimble                                      | North America    | Information Technology     | Automation           | 4,389                 | 0.9                   |
| KB Financial Group                           | Emerging Markets | Financials                 | Digital Finance      | 4,379                 | 0.9                   |
| Japan Airport Terminal                       | Japan            | Industrials                | Sustainable Consumer | 3,752                 | 0.8                   |
| SK Telecom                                   | Emerging Markets | Telecommunication Services | Screen Time          | 3,536                 | 0.8                   |
| Keppel DC (REIT) <sup>^</sup>                | Developed Asia   | Real Estate                | Online Services      | 2,698                 | 0.6                   |
| CapitalLand Ascendas (REIT) <sup>^</sup>     | Developed Asia   | Real Estate                | Automation           | 2,314                 | 0.5                   |
| SK Telecom ADR                               | Emerging Markets | Telecommunication Services | Screen Time          | 2,160                 | 0.5                   |
| Aker Carbon Capture                          | Europe           | Industrials                | Lower Carbon World   | 1,149                 | 0.2                   |
| <b>Total equity investments (58)</b>         |                  |                            |                      | <b>460,466</b>        | <b>98.6</b>           |

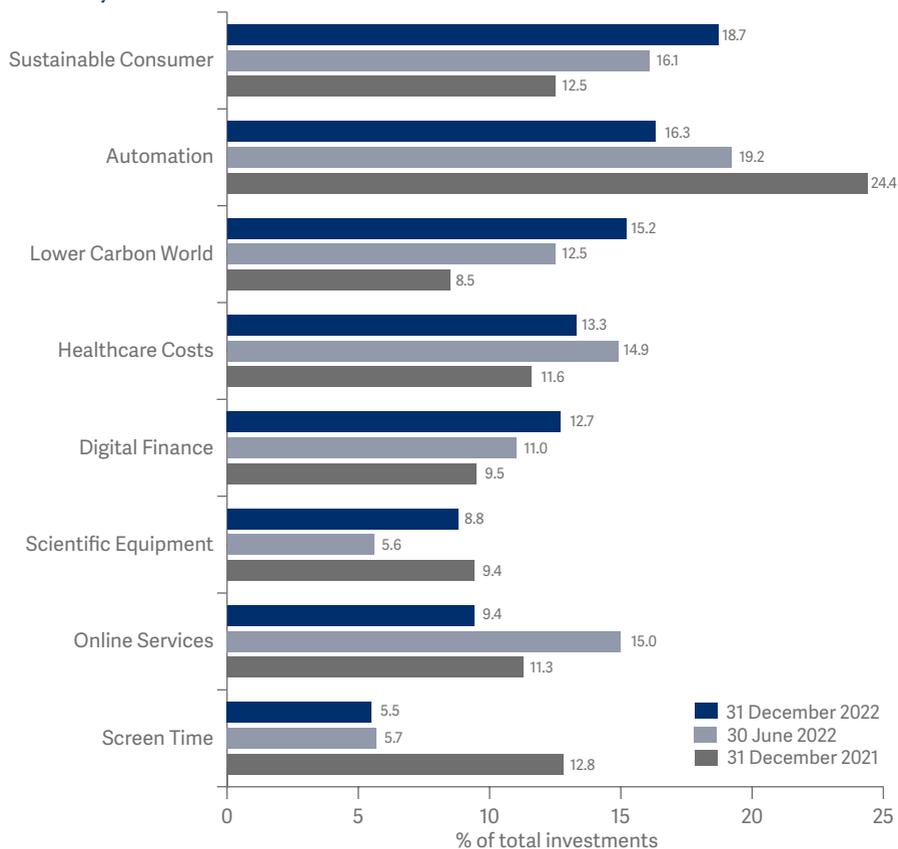
<sup>^</sup> Real Estate Investment Trust

| Investment                                           | Region | Industry | Theme | Market value<br>£'000 | % of total net<br>assets |
|------------------------------------------------------|--------|----------|-------|-----------------------|--------------------------|
| <b>Net current assets<br/>(excluding bank loans)</b> |        |          |       | <b>19,343</b>         | <b>4.2</b>               |
| Bank loan                                            |        |          |       | (12,885)              | (2.8)                    |
| <b>Total net assets</b>                              |        |          |       | <b>466,924</b>        | <b>100.0</b>             |

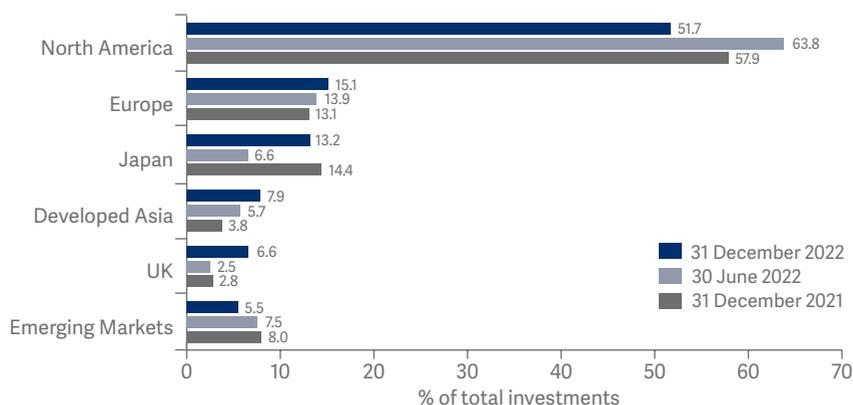
^ Real Estate Investment Trust

# THEMATIC AND REGIONAL ANALYSIS OF THE PORTFOLIO

## Thematic analysis



## Regional analysis



# INTERIM MANAGEMENT REPORT AND RESPONSIBILITY STATEMENT

## Principal Risks and Uncertainties

Pursuant to DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, the principal risks and uncertainties faced by the Company include strategic risk, market risks, legal and regulatory risk and operational risks including reliance on third-party service providers, reliance on key personnel and borrowing. External factors such as geopolitical risk also bring risk and uncertainty to the Company.

The Directors have assessed these risks and are of the opinion the nature of the risks and the way in which they are managed have not materially changed as described in the previous Annual Financial Report. These risks remain applicable to the six months under review and the remaining six months in the financial year. Details of the risks and their management is described in more detail in the Annual Financial Report 30 June 2022 which is available at [midwynd.com](http://midwynd.com).

## Related Party Transactions

During the six months ended 31 December 2022, no transactions with related parties have taken place which have materially impacted the Company.

## Going Concern

The Directors have considered the Company's principal risks and uncertainties together with its current financial position, assets and liabilities, projected revenue and expenses and the Company's dividend policy. The Directors also considered the impact on the Company of recent market volatility due to the war in Ukraine and the inflationary pressures currently being felt. It is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the approval of this Half-Yearly Financial Report. For this reason, the going concern basis of accounting continues to be used in the preparation of these financial statements.

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

The Directors confirm that to the best of their knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 December 2022:

- the condensed set of financial statements has been prepared in accordance with Financial Reporting Standard ('FRS') 104: 'Interim Financial Reporting';
- the Half-Yearly Financial Report, includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last Annual Financial Report that could do so.

The Half-Yearly Financial Report for the six months ended 31 December 2022 was approved by the Board and the above responsibility statement has been signed on its behalf by:

**Russell Napier**  
Chairman

28 February 2023

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| Note                                                            | For the six months ended<br>31 December 2022<br>(unaudited) |                  |                | For the six months ended<br>31 December 2021<br>(unaudited) |                  |                | For the year ended<br>30 June 2022<br>(audited) |                  |                 |
|-----------------------------------------------------------------|-------------------------------------------------------------|------------------|----------------|-------------------------------------------------------------|------------------|----------------|-------------------------------------------------|------------------|-----------------|
|                                                                 | Revenue<br>£'000                                            | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000                                            | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000                                | Capital<br>£'000 | Total<br>£'000  |
| Gains/(losses) on investments                                   | –                                                           | 8,509            | 8,509          | –                                                           | 45,906           | 45,906         | –                                               | (45,017)         | (45,017)        |
| Currency gains                                                  | –                                                           | 427              | 427            | –                                                           | 146              | 146            | –                                               | 446              | 446             |
| Income                                                          | 4,894                                                       | –                | 4,894          | 3,199                                                       | –                | 3,199          | 9,377                                           | –                | 9,377           |
| Investment management fee                                       | (287)                                                       | (862)            | (1,149)        | (308)                                                       | (923)            | (1,231)        | (609)                                           | (1,828)          | (2,437)         |
| Other expenses                                                  | (306)                                                       | (3)              | (309)          | (247)                                                       | (2)              | (249)          | (488)                                           | (8)              | (496)           |
| <b>Net return/(loss) before finance costs and taxation</b>      | <b>4,301</b>                                                | <b>8,071</b>     | <b>12,372</b>  | <b>2,644</b>                                                | <b>45,127</b>    | <b>47,771</b>  | <b>8,280</b>                                    | <b>(46,407)</b>  | <b>(38,127)</b> |
| Finance costs of borrowings                                     | (56)                                                        | (168)            | (224)          | (37)                                                        | (112)            | (149)          | (83)                                            | (252)            | (335)           |
| <b>Net return/(loss) on ordinary activities before taxation</b> | <b>4,245</b>                                                | <b>7,903</b>     | <b>12,148</b>  | <b>2,607</b>                                                | <b>45,015</b>    | <b>47,622</b>  | <b>8,197</b>                                    | <b>(46,659)</b>  | <b>(38,462)</b> |
| Taxation on ordinary activities                                 | (535)                                                       | –                | (535)          | (303)                                                       | –                | (303)          | (854)                                           | –                | (854)           |
| <b>Net return/(loss) on ordinary activities after taxation</b>  | <b>3,710</b>                                                | <b>7,903</b>     | <b>11,613</b>  | <b>2,304</b>                                                | <b>45,015</b>    | <b>47,319</b>  | <b>7,343</b>                                    | <b>(46,659)</b>  | <b>(39,316)</b> |
| <b>Net return/(loss) per share</b>                              | <b>2</b>                                                    | <b>5.64p</b>     | <b>12.01p</b>  | <b>17.65p</b>                                               | <b>3.78p</b>     | <b>73.86p</b>  | <b>77.64p</b>                                   | <b>11.72p</b>    | <b>(74.47)p</b> |

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items in this statement derive from continuing operations. No operations were acquired or discontinued during the period.

The net return for the period disclosed above represents the Company's total comprehensive income.

## CONDENSED STATEMENT OF FINANCIAL POSITION

|                                                       | Note | As at<br>31 December<br>2022<br>(unaudited)<br>£'000 | As at<br>31 December<br>2021<br>(unaudited)<br>£'000 | As at<br>30 June 2022<br>(audited)<br>£'000 |
|-------------------------------------------------------|------|------------------------------------------------------|------------------------------------------------------|---------------------------------------------|
| <b>Non current assets</b>                             |      |                                                      |                                                      |                                             |
| Investments held at fair value through profit or loss | 5    | 460,466                                              | 521,216                                              | 439,101                                     |
| <b>Current assets</b>                                 |      |                                                      |                                                      |                                             |
| Debtors                                               |      | 1,254                                                | 1,003                                                | 24,969                                      |
| Cash and cash equivalents                             | 7    | 18,904                                               | 16,712                                               | 7,096                                       |
|                                                       |      | 20,158                                               | 17,715                                               | 32,065                                      |
| <b>Creditors</b>                                      |      |                                                      |                                                      |                                             |
| Amounts falling due within one year                   | 4    | (13,700)                                             | (19,522)                                             | (18,513)                                    |
| <b>Net current assets/(liabilities)</b>               |      | <b>6,458</b>                                         | <b>(1,807)</b>                                       | <b>13,552</b>                               |
| <b>Total net assets</b>                               |      | <b>466,924</b>                                       | <b>519,409</b>                                       | <b>452,653</b>                              |
| <b>Capital and reserves</b>                           |      |                                                      |                                                      |                                             |
| Called up share capital                               | 8    | 3,320                                                | 3,130                                                | 3,271                                       |
| Capital redemption reserve                            |      | 16                                                   | 16                                                   | 16                                          |
| Share premium                                         |      | 242,122                                              | 213,121                                              | 235,110                                     |
| Capital reserve                                       |      | 214,882                                              | 298,653                                              | 206,979                                     |
| Revenue reserve                                       |      | 6,584                                                | 4,489                                                | 7,277                                       |
| <b>Shareholders' funds</b>                            |      | <b>466,924</b>                                       | <b>519,409</b>                                       | <b>452,653</b>                              |
| <b>Net asset value per ordinary share</b>             |      | <b>703.40p</b>                                       | <b>829.82p</b>                                       | <b>692.01p</b>                              |

# CONDENSED STATEMENT OF CHANGES IN EQUITY

| For the six months ended 31 December 2022 (unaudited) |                        |                                     |                        |                                         |                                       |                              |  |
|-------------------------------------------------------|------------------------|-------------------------------------|------------------------|-----------------------------------------|---------------------------------------|------------------------------|--|
| Note                                                  | Share capital<br>£'000 | Capital redemption reserve<br>£'000 | Share premium<br>£'000 | Capital reserve <sup>1,2</sup><br>£'000 | Revenue reserve <sup>2</sup><br>£'000 | Shareholders' funds<br>£'000 |  |
| Shareholders' funds at 1 July 2022                    | 3,271                  | 16                                  | 235,110                | 206,979                                 | 7,277                                 | <b>452,653</b>               |  |
| Net return on ordinary activities after taxation      | –                      | –                                   | –                      | 7,903                                   | 3,710                                 | <b>11,613</b>                |  |
| Issue of shares from treasury                         | –                      | –                                   | 59                     | 1,116                                   | –                                     | <b>1,175</b>                 |  |
| Repurchase of shares into treasury                    | –                      | –                                   | –                      | (1,116)                                 | –                                     | <b>(1,116)</b>               |  |
| Issue of new shares (net of costs)                    | 8                      | 49                                  | 6,953                  | –                                       | –                                     | <b>7,002</b>                 |  |
| Dividends paid                                        | –                      | –                                   | –                      | –                                       | (4,403)                               | <b>(4,403)</b>               |  |
| <b>Shareholders' funds at 31 December 2022</b>        | <b>3,320</b>           | <b>16</b>                           | <b>242,122</b>         | <b>214,882</b>                          | <b>6,584</b>                          | <b>466,924</b>               |  |

| For the six months ended 31 December 2021 (unaudited) |                        |                                     |                        |                                         |                                       |                              |  |
|-------------------------------------------------------|------------------------|-------------------------------------|------------------------|-----------------------------------------|---------------------------------------|------------------------------|--|
| Note                                                  | Share capital<br>£'000 | Capital redemption reserve<br>£'000 | Share premium<br>£'000 | Capital reserve <sup>1,2</sup><br>£'000 | Revenue reserve <sup>2</sup><br>£'000 | Shareholders' funds<br>£'000 |  |
| Shareholders' funds at 1 July 2021                    | 2,997                  | 16                                  | 191,253                | 253,638                                 | 4,189                                 | <b>452,093</b>               |  |
| Net return on ordinary activities after taxation      | –                      | –                                   | –                      | 45,015                                  | 2,304                                 | <b>47,319</b>                |  |
| Issue of new shares (net of costs)                    | 8                      | 133                                 | 21,868                 | –                                       | –                                     | <b>22,001</b>                |  |
| Dividends paid                                        | –                      | –                                   | –                      | –                                       | (2,004)                               | <b>(2,004)</b>               |  |
| <b>Shareholders' funds at 31 December 2021</b>        | <b>3,130</b>           | <b>16</b>                           | <b>213,121</b>         | <b>298,653</b>                          | <b>4,489</b>                          | <b>519,409</b>               |  |

| For the year ended 30 June 2022 (audited)               |                        |                                     |                        |                                         |                                       |                              |  |
|---------------------------------------------------------|------------------------|-------------------------------------|------------------------|-----------------------------------------|---------------------------------------|------------------------------|--|
| Note                                                    | Share capital<br>£'000 | Capital redemption reserve<br>£'000 | Share premium<br>£'000 | Capital reserve <sup>1,2</sup><br>£'000 | Revenue reserve <sup>2</sup><br>£'000 | Shareholders' funds<br>£'000 |  |
| Shareholders' funds at 1 July 2021                      | 2,997                  | 16                                  | 191,253                | 253,638                                 | 4,189                                 | <b>452,093</b>               |  |
| Net (loss)/return on ordinary activities after taxation | –                      | –                                   | –                      | (46,659)                                | 7,343                                 | <b>(39,316)</b>              |  |
| Issue of new shares (net of costs)                      | 8                      | 274                                 | 43,857                 | –                                       | –                                     | <b>44,131</b>                |  |
| Dividends paid                                          | –                      | –                                   | –                      | –                                       | (4,255)                               | <b>(4,255)</b>               |  |
| <b>Shareholders' funds at 30 June 2022</b>              | <b>3,271</b>           | <b>16</b>                           | <b>235,110</b>         | <b>206,979</b>                          | <b>7,277</b>                          | <b>452,653</b>               |  |

<sup>1</sup> Capital reserve as at 31 December 2022 includes realised gains of £178,504,000 (31 December 2021: £207,896,000; 30 June 2022: £191,640,000).

<sup>2</sup> The Company may pay dividends from both capital and revenue reserves.

## CONDENSED STATEMENT OF CASH FLOWS

|                                                             | Note | For the six<br>months ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | For the six<br>months ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | For the year<br>ended<br>30 June 2022<br>(audited)<br>£'000 |
|-------------------------------------------------------------|------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Cash generated from operations</b>                       | 6    | 3,283                                                                      | 1,522                                                                      | 4,768                                                       |
| Interest received                                           |      | 146                                                                        | 1                                                                          | 10                                                          |
| Interest paid                                               |      | (224)                                                                      | (149)                                                                      | (335)                                                       |
| <b>Net cash generated from operating activities</b>         |      | <b>3,205</b>                                                               | <b>1,374</b>                                                               | <b>4,443</b>                                                |
| <b>Cash flow from investing activities</b>                  |      |                                                                            |                                                                            |                                                             |
| Purchase of investments                                     |      | (308,156)                                                                  | (313,243)                                                                  | (689,754)                                                   |
| Sale of investments                                         |      | 306,740                                                                    | 283,525                                                                    | 639,527                                                     |
| Realised currency gains/(losses)                            |      | 353                                                                        | (3)                                                                        | 1,517                                                       |
| <b>Net cash used in investing activities</b>                |      | <b>(1,063)</b>                                                             | <b>(29,721)</b>                                                            | <b>(48,710)</b>                                             |
| <b>Cash flow from financing activities</b>                  |      |                                                                            |                                                                            |                                                             |
| Issue of new shares, net of costs                           | 8    | 7,002                                                                      | 21,575                                                                     | 44,131                                                      |
| Issue of shares from treasury                               |      | 1,175                                                                      | –                                                                          | –                                                           |
| Repurchase of shares into treasury                          |      | (1,116)                                                                    | –                                                                          | –                                                           |
| Net drawdown/(repayment) of credit facility                 |      | 6,982                                                                      | 8,962                                                                      | (5,064)                                                     |
| Dividends paid                                              |      | (4,403)                                                                    | (2,004)                                                                    | (4,255)                                                     |
| <b>Net cash generated from financing activities</b>         |      | <b>9,640</b>                                                               | <b>28,533</b>                                                              | <b>34,812</b>                                               |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>11,782</b>                                                              | <b>186</b>                                                                 | <b>(9,455)</b>                                              |
| <b>Cash and cash equivalents at start of the period</b>     |      | 7,096                                                                      | 16,556                                                                     | 16,556                                                      |
| Increase/(decrease) in cash in the period                   |      | 11,782                                                                     | 186                                                                        | (9,455)                                                     |
| Currency gains/(losses) on cash and cash equivalents        |      | 26                                                                         | (30)                                                                       | (5)                                                         |
| <b>Cash and cash equivalents at end of the period</b>       | 7    | <b>18,904</b>                                                              | <b>16,712</b>                                                              | <b>7,096</b>                                                |

# NOTES TO THE HALF-YEARLY FINANCIAL REPORT

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## 1 Accounting policies

The unaudited condensed financial statements for the six months to 31 December 2022 comprise the statements set out on pages 14 to 17 together with the related notes on pages 18 to 20. The financial statements have been prepared in accordance with the Company's accounting policies as set out in the Annual Financial Report for the year ended 30 June 2022 and are presented in accordance with the Companies Act 2006 (the 'Act'), FRS 104 and the requirements of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued by the Association of Investment Companies (the 'AIC') in July 2022.

The financial information contained within this Half-yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Act. The financial information for the year ended 30 June 2022 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Act.

The unaudited condensed financial statements for the six months ended 31 December 2022 have been prepared on a going concern basis.

## 2 Return per share

Return per share has been calculated based on the weighted average number of ordinary shares in issue for the six months ended 31 December 2022 being 65,786,856 (31 December 2021: 60,944,418; 30 June 2022: 62,652,936).

## 3 Dividends

An interim dividend for the six months ended 31 December 2022 of 3.85 pence per ordinary share (31 December 2021: 3.50 pence) has been declared. This dividend will be paid on 31 March 2023 to those shareholders on the register at close of business on 10 March 2023.

## 4 Borrowing facilities

The Company has entered into a three year agreement with The Bank of Nova Scotia (UK Branch) for a US\$60 million multi-currency revolving credit facility terminating on 19 February 2024, of which US\$15.5 million (£12.9 million) was drawn down at 31 December 2022 (31 December 2021: US\$14.0 million (£10.3 million); 30 June 2022: US\$2.0 million (£1.6 million)) and €nil (£nil) was drawn down at 31 December 2022 (31 December 2021: €10.0 million (£8.4 million); 30 June 2022: €5.0 million (£4.3 million)). These amounts are recognised in amounts falling due within one year in the condensed statement of financial position.

The Company pays interest separately on each currency drawn down. Interest is charged on each currency at variable rates. Sterling is calculated with reference to RFR (Risk-free rate); US dollar with reference to SOFR RFR and Japanese yen with reference to TONAR RFR. The US\$ interest rate applied as at 31 December 2022 was 5.36% (31 December 2021: 1.53%; 30 June 2022: 2.36%). The € interest rate applied as at 31 December 2022 was nil% (31 December 2021: 1.30%; 30 June 2022: 1.30%).

The main covenants relating to the revolving credit facility are:

- (i) Total borrowings shall not exceed 33.33% of net asset value.
- (ii) The Company's minimum net asset value shall be £170 million.

## 5 Fair value hierarchy

All investments are designated at fair value through profit or loss on initial recognition in accordance with FRS 102. The following table provides an analysis of these investments based on the fair value hierarchy as described below which reflects the reliability and significance of the information used to measure their fair value.

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;

Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;

Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

|                                   | 31 December<br>2022<br>£'000<br>(unaudited) | 31 December<br>2021<br>£'000<br>(unaudited) | 30 June<br>2022<br>£'000<br>(audited) |
|-----------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------|
| Level 1                           | 460,466                                     | 521,216                                     | 439,101                               |
| <b>Total value of investments</b> | <b>460,466</b>                              | <b>521,216</b>                              | <b>439,101</b>                        |

## 6 Reconciliation of net return/(loss) before finance costs and taxation to cash from operations

|                                                         | For the six<br>months ended<br>31 December<br>2022<br>£'000<br>(unaudited) | For the six<br>months ended<br>31 December<br>2021<br>£'000<br>(unaudited) | For the<br>year ended<br>30 June<br>2022<br>£'000<br>(audited) |
|---------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------|
| Net return/(loss) before finance costs and taxation     | 12,372                                                                     | 47,771                                                                     | (38,127)                                                       |
| (Gains)/losses on investments                           | (8,509)                                                                    | (45,906)                                                                   | 45,017                                                         |
| Decrease/(increase) in accrued income and other debtors | 450                                                                        | 19                                                                         | (847)                                                          |
| Currency gains                                          | (427)                                                                      | (146)                                                                      | (446)                                                          |
| Increase in creditors                                   | 78                                                                         | 88                                                                         | 35                                                             |
| Overseas tax suffered                                   | (535)                                                                      | (303)                                                                      | (854)                                                          |
| Interest received                                       | (146)                                                                      | (1)                                                                        | (10)                                                           |
| <b>Cash generated from operations</b>                   | <b>3,283</b>                                                               | <b>1,522</b>                                                               | <b>4,768</b>                                                   |

## 7 Analysis of changes in net cash

|                           | At<br>30 June<br>2022<br>£'000<br>(audited) | Cashflow<br>£'000<br>(unaudited) | Exchange<br>movements<br>£'000<br>(unaudited) | At<br>31 December<br>2022<br>£'000<br>(unaudited) |
|---------------------------|---------------------------------------------|----------------------------------|-----------------------------------------------|---------------------------------------------------|
| Cash and cash equivalents | 7,096                                       | 11,782                           | 26                                            | 18,904                                            |
| Debt due within one year  | (5,951)                                     | (6,982)                          | 47                                            | (12,886)                                          |
| <b>Total</b>              | <b>1,145</b>                                | <b>4,800</b>                     | <b>73</b>                                     | <b>6,018</b>                                      |

## 8 Share capital

In the six months ended 31 December 2022, 163,200 ordinary shares were purchased into treasury with net costs of £1,116,000 (six months ended 31 December 2021 and year ended 30 June 2022: the Company made no purchases into treasury).

In the six months ended 31 December 2022, 163,200 ordinary shares were subsequently sold from treasury with net proceeds of £1,175,000 (six months ended 31 December 2021 and year ended 30 June 2022: the Company had no sales from treasury).

In the six months ended 31 December 2022, 970,000 new ordinary shares were allotted with net proceeds of £706,000 (six months ended 31 December 2021; 2,668,000 new ordinary shares were allotted with net proceeds of £22,022,000, year ended 30 June 2022: 5,486,000 new ordinary shares were allotted with net proceeds of £44,197,000).

There were no ordinary shares held in treasury at the period end or prior year end.

## 9 Related party transactions

The Directors are considered to be related parties. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Company.

The Directors receive fees for their services. During the six months to 31 December 2022, £75,000 was paid to Directors (31 December 2021: £70,000; 30 June 2022: £140,000) of which £nil was outstanding at the period end (31 December 2021: outstanding £nil; 30 June 2022: outstanding £nil).

## 10 Transactions with the Investment Manager

The investment management fee payable to Artemis Fund Managers Limited for the six months ended 31 December 2022 was £1,149,000 (31 December 2021 £1,231,000; 30 June 2022 £2,437,000) of which £573,000 was outstanding at the period end (31 December 2021 £633,000; 30 June 2022 £597,000).

## 11. Post Balance Sheet Events

Following the period end and up to 28 February 2023, 325,000 ordinary shares were bought back to be held in treasury.

# INFORMATION FOR SHAREHOLDERS

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## Buying shares in the Company

The Company's ordinary shares are traded on the Main Market of the London Stock Exchange and can be bought or sold through a stockbroker, a financial adviser or via an investment platform. Find out more at [midwynd.com](http://midwynd.com).

## Company numbers:

London Stock Exchange (SEDOL) number: B6VTTK0

ISIN number: GB00B6VTTK07

Ticker: MWY

Reuters code: MIDW.L

Bloomberg code: MWY:LN

LEI: 549300D32517C2M3A561

GIIN: PIK2NS.00003.SF.826

## Capital gains tax

For capital gains tax indexation purposes, the market value of an ordinary share in the Company as at 31 March 1982 was 52 pence. The equivalent price, adjusted for the five for one share split in October 2011, is 10.4 pence.

## Share register enquiries

Computershare maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact Computershare on 0370 707 1186. This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address forms, Dividend Bank Mandates and Stock Transfer forms.

By quoting the reference number on your share certificate you can also check your holding on the Registrar's website at [investorcentre.co.uk](http://investorcentre.co.uk).

It also offers a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- update bank mandates and change address details;
- use online dealing services; and
- pay dividends directly into your overseas bank account in your chosen local currency.

To take advantage of this service, please log in at [investorcentre.co.uk](http://investorcentre.co.uk). You will need your Shareholder Reference Number and ISIN number to do this (this information can be found on the last dividend voucher or your share certificate).

## Dividend reinvestment plan

Computershare provides a dividend reinvestment plan which can be used to buy additional shares instead of receiving your dividend in cash. For further information log in to [investorcentre.co.uk](http://investorcentre.co.uk) and follow the instructions or telephone 0370 707 1694.

## Tax information reporting

The Organisation for Economic Co-operation and Development's Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard') requires the Company to provide information annually to HM Revenue & Customs ("HMRC") on the tax residencies of those certificated shareholders that are tax resident in countries outwith the UK that have signed up to the Common Reporting Standard.

All new shareholders, excluding those whose shares are held in CREST, will be sent a certification form by the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

Failure to provide this information may result in the holding being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – informationforaccountholders;gov.uk/government/publications/exchangeofinformationaccount-holders.

### Financial advisers and retail investors

The Company currently conducts its affairs so that its shares in issue can be recommended by financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ('FCA's') rules in relation to non-mainstream investment products and intends to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

### Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share price is listed in the Financial Times and also on the TrustNet website (trustnet.com). Further information can be found on the Company's website (midwynd.com), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the e-mail address: [midwyndchairman@artemisfunds.com](mailto:midwyndchairman@artemisfunds.com).

### Reporting calendar

#### **Year End**

30 June

#### **Results announced**

Interim: March

Annual: September

#### **Dividends payable**

March and November

#### **Annual General Meeting**

October

# GLOSSARY

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## Administrator

Is an entity that provides certain services to support the operation of an investment fund or investment company. These services include, amongst other things, settling investment transactions, maintaining accounting books and records and calculating daily net asset values. For the Company, J.P. Morgan Europe Limited is the administrator.

## Alternative Investment Fund Managers Directive (AIFMD)

Is a European Union directive adopted into UK law that applies to certain types of investment funds, including investment companies.

## Alternative Investment Fund Manager (AIFM)

Is an entity that provides certain investment services, including portfolio and risk management services. For the Company, Artemis Fund Managers Limited is the AIFM.

## Alternative Performance Measure (APM)

An alternative performance measure is 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 financial reporting framework.

## Attribution

Attribution analysis is a performance-evaluation tool used to analyse the abilities of fund managers. It uncovers the impact on the Company of a manager's investment decisions with regard to overall investment policy, asset allocation, security selection and activity.

Relative attribution is the performance of the portfolio compared with the benchmark. Absolute attribution identifies the individual stocks that led to the return achieved.

## Banker and Custodian

Is a bank that is responsible for holding an investment fund's or investment company's assets and securities and maintaining their bank accounts. For the Company, J.P. Morgan Chase Bank N.A. is the banker and custodian.

## Depository

Is a financial institution that provides certain fiduciary services to investment funds or investment companies. The AIFMD requires that investment funds and investment companies have a depository appointed to safe-keep their assets and oversee their affairs to ensure that they comply with obligations in relevant laws and constitutional documents. For the Company, J.P. Morgan Europe Limited is the depository.

## Discount/Premium

If the share price of an investment trust is lower than the net asset value per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, the shares are said to be trading at a premium.

## Leverage

Leverage is defined in the AIFMD as any method by which an AIFM increases the exposure of an Alternative Investment Fund it manages, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

There are two measures of calculating leverage:

- the gross method, which does not reduce exposure for hedging; and
- the commitment method, which reduces exposure for hedging.

## Net Asset Value

Net asset value represents the total value of the Company's assets less the total value of its liabilities, and is normally expressed on a per share basis.

# ALTERNATIVE PERFORMANCE MEASURES ('APM')

## Alternative Performance Measure ('APM')

A description and explanation of the APMs used within the Annual and Half-Yearly Financial Reports can be found below.

### Net gearing

The net gearing reflects the amount of borrowings the Company has used to invest in the market less cash and cash equivalents, divided by net assets.

A negative percentage reflects a net cash position.

The Company's position is set out below:

|                           | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|---------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------|
| Bank loans                | 12,886                                      | 18,732                                      | 5,951                                 |
| Cash and cash equivalents | (18,904)                                    | (16,712)                                    | (7,096)                               |
| (Net cash)/debt           | (6,018)                                     | 2,020                                       | (1,145)                               |
| Net assets                | 466,924                                     | 519,376                                     | 452,653                               |
| <b>(Net cash)/gearing</b> | <b>(1.3%)</b>                               | <b>0.4%</b>                                 | <b>(0.3%)</b>                         |

Further disclosure of the borrowings/debt position of the Company can be found in Note 4.

### Ongoing charges

Total expenses (excluding finance costs and taxation) incurred by the Company as a percentage of average net asset values.

|                           | Six months<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Six months<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|---------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------|
| Investment management fee | 1,149                                                              | 1,231                                                              | 2,437                                               |
| Other expenses            | 309                                                                | 249                                                                | 496                                                 |
| Total expenses            | 1,458                                                              | 1,480                                                              | 2,933                                               |
| Average net assets        | 474,497                                                            | 454,399                                                            | 485,437                                             |
| <b>Ongoing charges</b>    | <b>0.60%</b>                                                       | <b>0.64%</b>                                                       | <b>0.60%</b>                                        |

Ongoing charges are based on expenses over the prior twelve month period and so may be slightly different to the arithmetic calculation.

## Total return

The total return on an investment is made up of capital appreciation (or depreciation) and any income paid out (which is deemed to be reinvested) by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of the period.

### Net asset value total return

|                                        | Six months<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Six months<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|----------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------|
| Opening net asset value                | 692.01                                                             | 754.43                                                             | 754.43                                              |
| Closing net asset value                | 703.40                                                             | 829.77                                                             | 692.01                                              |
| Dividends paid during financial period | 6.70                                                               | 3.30                                                               | 6.80                                                |
|                                        | <b>2.6%</b>                                                        | <b>10.5%</b>                                                       | <b>-7.5%</b>                                        |

### Share price total return

|                                        | Six months<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Six months<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|----------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------|
| Opening share price                    | 693.00                                                             | 772.00                                                             | 772.00                                              |
| Closing share price                    | 714.00                                                             | 860.00                                                             | 693.00                                              |
| Dividends paid during financial period | 6.70                                                               | 3.30                                                               | 6.80                                                |
|                                        | <b>4.0%</b>                                                        | <b>11.9%</b>                                                       | <b>-9.5%</b>                                        |

The total returns percentages assumes that dividends paid out by the Company are re-invested into shares at the value on the ex-dividend date and so the figure will be slightly different to the arithmetic calculation.

### Premium/(discount)

The amount, expressed as a percentage, by which the share price is more or less than the NAV per ordinary share.

# GENERAL INFORMATION

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## Directors

Russell Napier (Chairman)  
Hamish Baillie (appointed 1 November 2022)  
Diana Dyer Bartlett  
David Kidd  
Harry Morgan (resigned 26 October 2022)  
Alan Scott

## Registered office

6th Floor  
Exchange Plaza  
50 Lothian Road  
Edinburgh EH3 9BY

Website: [midwynd.com](http://midwynd.com)

## Investment Manager, Alternative Investment Fund Manager and Company Secretary

Artemis Fund Managers Limited  
Cassini House  
57 St James's Street  
London SW1A 1LD

Authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN

Tel: 0800 092 2051  
Email: [investor.support@artemisfunds.com](mailto:investor.support@artemisfunds.com)  
Website: [artemisfunds.com](http://artemisfunds.com)

## Registrar

Computershare Investor Services PLC  
The Pavillions  
Bridgwater Road  
Bristol BS99 6ZZ  
Tel: 0370 707 1186

Website: [investorcentre.co.uk](http://investorcentre.co.uk)

## Administrator

J.P. Morgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Depositary

J.P. Morgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Banker & Custodian

J.P. Morgan Chase Bank N.A.  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Broker

J.P. Morgan Cazenove  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Independent Auditor

Johnston Carmichael LLP  
7-11 Melville Street  
Edinburgh  
EH3 7PE

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**Artemis Fund Managers Limited**

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