

Mid Wynd  
International  
Investment Trust *PLC*

Half-Yearly Financial Report  
for the six months ended  
31 December 2019



**ARTEMIS**  
The PROFIT Hunter

## Contents

Objective and investment policy	1
Financial highlights	2
Chairman's statement	3
Investment Manager's review	5
Investments	8
Thematic and regional analysis of the portfolio	11
Statement of Principal Risks and Uncertainties	12
Responsibility statement of the Directors in respect of the Half-Yearly Financial Report	12
Condensed statement of comprehensive income	13
Condensed statement of financial position	14
Condensed statement of changes in equity	15
Condensed statement of cash flows	16
Notes to the Half-Yearly Financial Report	17
Information for shareholders	20
Glossary	22
General information	24

## Objective and investment policy

The objective of the Company is to achieve capital and income growth by investing on a worldwide basis. Although the Company aims to provide dividend growth over time, its primary aim is to maximise total returns to shareholders.

The Company is prepared to move freely between different markets, sectors, industries, market capitalisations and asset classes as investment opportunities dictate. On acquisition, no holding shall exceed 15% of the portfolio. The Company will not invest more than 15% of its gross assets in UK listed investment companies. Assets other than equities may be purchased from time to time including but not limited to fixed interest holdings, unquoted securities and derivatives. Subject to prior Board approval, the Company may use derivatives for investment purposes or for efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk).

The number of individual holdings will vary over time. To ensure diversification of opportunity and management of risk, there will be between 40 and 140 holdings, and the portfolio will be managed on a global basis rather than as a series of regional sub-portfolios.

The Board and Investment Manager assess investment performance with reference to the MSCI All Country World Index (GBP). However, little attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A long-term view is taken and there may be periods when the net asset value per share declines in absolute terms and relative to the comparative index.

## Financial highlights

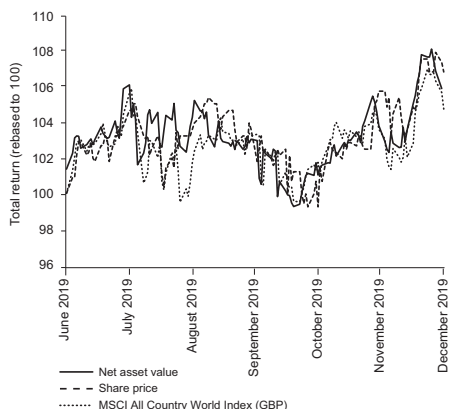
	Six months ended 31 December 2019	Six months ended 31 December 2018	Year ended 30 June 2019
<b>Total returns</b>			
Net asset value per share†	5.8%	(7.0)%	13.3%
Share price†	6.7%	(5.9)%	15.2%
MSCI All Country Index (GBP)	4.6%	(5.7)%	9.7%
<b>Revenue and dividends</b>			
Revenue earnings per share	3.49p	2.36p	6.79p
Dividends per share*	3.00p	1.98p	5.83p
Ongoing charges†	0.7%	0.7%	0.7%
<b>Capital</b>			
Net asset value per share	As at 31 December 2019	As at 31 December 2018	As at 30 June 2019
Share price	581.10p	455.49p	553.16p
Net (gearing)/cash†	602.00p (0.2)%	465.00p 0.8%	568.00p 0.2%

Source: Artemis/Datastream.

† Alternative Performance Measure (see Glossary on page 22).

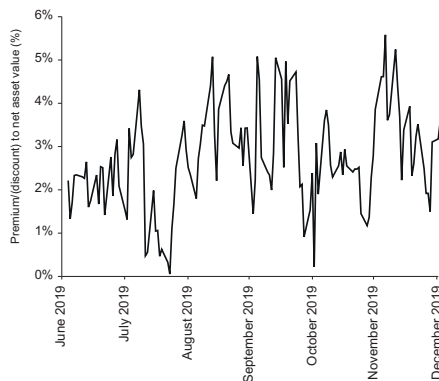
\* The interim dividend for the six months to 31 December 2019 will be paid on 31 March 2020 to shareholders on the register at the close of business on 13 March 2020.

### Performance for the six months ended 31 December 2019



Source: Datastream/Morningstar.

### Premium during the six months ended 31 December 2019



Source: Datastream/Morningstar.

Total returns to 31 December 2019	3 years	5 years	Since 1 May 2014**	10 Years
Net asset value per share†	45.5%	99.8%	127.1%	230.0%
Share price†	48.6%	108.3%	138.1%	313.3%
MSCI All Country Index (GBP)	32.6%	76.2%	94.8%	183.0%

Source: Artemis/Datastream/Morningstar.

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

† Alternative Performance Measure (see Glossary on page 22).

## Chairman's statement

### Performance

For the six months ended 31 December 2019 the Company's share price rose by 6.7% 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 4.6%.

The Company's net asset value per share rose 5.0%, in capital only terms, and by 5.8% on a total return basis. Since Artemis' appointment as Investment Manager on 1 May 2014 the net asset value per share has increased by 127.1%, on a total return basis, against the comparative index increase of 94.8%.

As at 31 December 2019 the shares stood at a 3.6% premium to net asset value.

Further details of 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 2019 was a gain of 31.13 pence per share, comprising a revenue gain of 3.49 pence per share and a capital gain of 27.64 pence per share. The Board is proposing an interim dividend of 3.00 pence per share which, will be paid on 31 March 2020 to those shareholders on the register at the close of business on 13 March 2020. This represents an increase of 51.5% on last year's interim dividend of 1.98 pence. The rate of increase in the interim dividend should not be understood as indicative of the size of the final dividend. The Board considers, in light of the level of share issuance, that the interim dividend should so far as possible be rebalanced towards parity with the final dividend. It continues to be the aim of the Board to grow the dividend but this will not be done at the expense of capital or if market conditions dictate otherwise.

### Share capital

Over the six month period, demand for the Company's shares has continued to be strong and they have traded at a premium to net asset value each day.

The Board is pleased to report that for the period from 1 July 2019 to 31 December 2019, 4,270,000 new ordinary shares have been issued in the market, raising £24.5 million, net of issue costs. This represents an increase of 10.4% on the share capital at the start of the year. As at 27 February 2020, a further 1,710,000 new ordinary shares have been issued.

### Borrowings

The Company has in place a three year, US\$30 million multi-currency facility with Scotiabank. This is due to expire on 19 February 2021. An additional amount of US\$2.0m was drawn down in November 2019 bringing the total borrowing to US\$5m and EUR3m as at the period end, equating to £6.3m. This facility continues to provide flexibility for the Investment Manager to take advantage of attractive markets.

### Board Composition

As reported in my statement within the Annual Financial Report for the year ended 30 June 2019, the Board has begun a period of change. As the first step in this process, it is a great pleasure to welcome Mrs Diana Dyer Bartlett to the Board following her appointment as a non-executive Director on 1 February 2020. She is a qualified chartered accountant and has extensive listed company and finance experience. Diana will stand for election at the Annual General Meeting to be held in November 2020 (the 'AGM').

## Chairman's statement (continued)

### Auditor

As communicated to shareholders, Scott Moncrieff resigned as independent auditor to the Company on 23 January 2020. The Audit Committee recently undertook an audit tender process and arrangements are being finalised for the appointment of the new external auditor.

A full outline of the audit tender process will be provided in the Annual Financial Report for the year ending 30 June 2020 and a resolution to appoint the new independent auditor and authorise the Directors to fix its remuneration will be proposed at the AGM.

### Outlook

The six months to 31 December 2019, and in particular the last quarter, brought some renewed positivity to the global stage. The expectation of forthcoming clarity over Brexit, however distant, and the increased likelihood of better US-China trade relations, produced a calmer start to 2020. That being said, the recent outbreak of the Coronavirus in China has created some market

uncertainty, explored further in the Investment Manager's review. The Investment Manager continues to ensure the portfolio is both balanced and diverse so that the Company is in a good position to react to market conditions by taking opportunities or defending as situations require.

### 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. In addition, the Board is always keen to hear from shareholders.

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

**Malcolm Scott**  
Chairman

2 March 2020

## Investment Manager's review

### Review of period

Global equity markets went from fearing recession in September to levels of enthusiasm in December following a US-China phase 1 trade deal and progress in UK politics. Companies were neither very gloomy in September, nor that much more positive at year end. Global equity indices rose 8% in dollar terms, but this translated to only 4.5% in sterling terms as the pound bounced vigorously on the election result.

### Performance

The Company's net asset value per share rose 5.8% over the first half of the year compared with an index return of 4.6%, continuing the healthy returns for global equity investors.

Although some investors have been discussing so-called 'value' opportunities, your portfolio performed best in 'growth' areas: our online services theme (including financial technology companies such as Fiserv) and our automation theme. However, some of our more 'value' oriented investments, such as Vodafone, also contributed. Indeed, the diversification in the Company worked well with returns coming from many different themes, sectors and lesser-known stocks.

Relative to the index, the worst thing we did was to hold no Apple, which has come back into favour since its poor numbers at the start of the year. The very high weight of Apple in the index makes this exception a large negative to relative performance.

### Five largest stock contributors

Company	Theme	Relative Contribution (%)
Humana	Healthcare Costs	0.5
Segro	Automation	0.3
Vodafone	Screen Time	0.3
Fiserv	Online Services	0.2
Barrick Gold	High Quality Assets	0.2

### Five largest stock detractors

Company	Theme	Relative Contribution (%)
Apple	Screen Time	(0.7)
Premier	Healthcare Costs	(0.2)
Hexagon	Automation	(0.2)
Colgate	Emerging Market	(0.2)
Richemont	Emerging Market	(0.2)
	Consumer	

### 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 strong barriers to entry. Such companies sometimes lag equity markets when they recover, but they protect capital well when economic conditions become more testing. Over time, we have found this investment approach gives a solid framework to deliver consistent returns to investors.

### Current investment themes

**Automation** (16% of investments) – We have been slowly increasing investments in this long-term theme as automation investment has been delayed due to the US-China trade disputes. The agreement reached at the end of the year is principally designed to decrease the balance of trade between those countries, concentrating on commodities. An agreement covering trade in intellectual property will be much harder to reach. All the same, at year end there were signs that robot demand in China may have reached a bottom and that the large back-log in automation orders will come through soon. The valuations of some stocks in this area already discount some

## Investment Manager's review (continued)

recovery, so we will monitor progress and valuations in the year ahead.

**Online Services** (20% of investments) – A range of different investments performed well in this broad theme. We have increased our investments in financial technology companies, buying Fiserv which merged with First Data Corporation and investing in FIS which acquired Worldpay. The future of financial services is increasingly about software and online service provision and established suppliers often take very large shares of the market. Despite some investors saying this was a time to sell all the old growth stocks and to buy value, many of the old growth stocks carried on growing perfectly well – Microsoft's share price, for instance, rising 18% over the six months and Mastercard only slightly less.

**Healthcare Costs** (12% of investments) – Despite Senators Warren and Sanders continuing to fare reasonably well in the Democratic Primaries, talk of an American NHS seems to be fading – with some politicians describing this as 'banning Americans from spending their own money on their own health'. Such talk had hung over our investments in American health insurance companies, but these have started to recover. Meanwhile our investments in pharmaceutical companies at the cutting edge in cancer immunology continue to show strong growth as their products are more widely adopted.

**Scientific Equipment** (6% of investments) – Our investments in scientific equipment have continued to produce consistent growth. We took profits in Hitachi Hi-Tec which has been a very good investment for us. The parent company may be prepared to sell this controlled subsidiary – a sign of the times that, in Japan these days, takeover prospects can drive share prices.

**Emerging Market Consumer** (14% of investments) – It is something of a puzzle that, with an improving US economy and a weaker US

dollar, prospects for emerging markets seem lacklustre. Indeed, between riots in Hong Kong and Chile and significant GDP slowdowns in South Africa and India, we remain wary, especially as valuations of the best locally listed stocks are rather high. Our developed market holdings selling into emerging markets generally had a reasonable period, Louis Vuitton again with the best performance.

**Low Carbon World** (10% of investments) – This theme performed slightly less well during this half year, despite the rising enthusiasm for progress towards environmental goals. As can happen in capital markets, the leading wind farm company – our largest investment Orsted – noted that returns from new projects were falling due to less experienced, but well financed companies bidding very aggressively for contracts. We have taken a few profits and await developments.

**Screen Time** (7% of investments) – Over the last six months many of the investments we have made in this theme have performed well, especially as it included some modestly valued companies such as Vodafone and Nippon Telecom. However, as the valuations rose sharply, we have taken some profits. Our largest investment is now Walt Disney whose new streaming service seems to be attracting large numbers of subscribers in the USA.

**High Quality Assets** (15% of investments) – This is the theme in which we most often hold so-called 'value' stocks – out of favour companies whose asset backing may be of greater importance than their growth prospects. Earlier in the year we were finding a number of opportunities of this type, but as some of these shares have performed, their valuation attractions fade, their low growth prospects become an issue and we move on. We have reduced our holdings in gold mines during the period and sold our disappointing investment in Unibail.



**Tourism** – we have decided to sell out of our Tourism theme after many years. We believe that very cheap air fares are the result of jet fuel being under-taxed and that increased environmental concerns will see this anomaly addressed, reducing tourism numbers and growth prospects.

## Thematic attribution

Theme	Contribution (%)
Online Services	1.9
Automation	1.4
High Quality Assets	0.8
Healthcare Costs	0.6
Low Carbon World	0.5
Scientific Equipment	0.3
Screen Time	0.3
Emerging Market Consumer	0.1
Tourism	0.1

## Regional attribution

Region	Contribution (%)
North America	3.4
Japan	1.2
UK	0.9
Europe	0.6
Emerging Markets	0.0
Developed Asia	(0.1)

## Outlook

2020 started with economies likely to grow more rapidly than the previous year, led by the USA and with inflation still subdued. These hopes were then interrupted by the outbreak of the Coronavirus in China which, at the time of writing, seems to be actively monitored. Necessary action

to contain the spread of the virus has interrupted global supply chains and so first half GDP growth for the global economy may well prove less vigorous than hoped for. However, the areas of investment we choose tend to avoid more economically sensitive sectors. Over the last decade, unexpected events such as the SARS virus, the Thai floods or the Fukushima reactor breakdown have seemed likely to upset financial markets at the time, but years later are hard to notice on the longer-term stock market chart.

Furthermore, the companies that we hold generally had a good year last year and saw their cash flows steadily growing. Valuations seem modestly higher than this time last year, but that was after a very turbulent period in equity markets at the end of 2018. Much of the growth in our companies comes from opportunities in our chosen themes and research and development within the companies themselves: we expect this will again be the main source of growth in the year ahead.

Global equity investing has been fruitful now for over a decade and there is bound to be a rough period at some stage. However, our balanced portfolio of high quality and very healthy businesses, with good revenue growth and improving economic conditions, should be able to produce further gains this year and for the years to follow.

**Simon Edelsten, Alex Illingworth & Rosanna Burcheri**

**Fund Managers**

2 March 2020

## Investments

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
<b>Equities</b>					
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	6,174	2.4
Merck	North America	Health Care	Healthcare Costs	6,043	2.3
Bank of America	North America	Financials	High Quality Assets	5,935	2.3
Citigroup	North America	Financials	High Quality Assets	5,791	2.2
Anthem	North America	Health Care	Healthcare Costs	5,384	2.1
Avery Dennison	North America	Materials	Emerging Market	5,321	2.0
Microsoft	North America	Information Technology	Consumer	5,252	2.0
Orsted	Europe	Utilities	Online Services	5,209	2.0
Norfolk Southern	North America	Industrials	Low Carbon World	5,113	1.9
Roche Holding	Europe	Health Care	Healthcare Costs	5,112	1.9
<b>Top 10 investments</b>				<b>55,334</b>	<b>21.1</b>
Humana	North America	Health Care	Healthcare Costs	4,975	1.9
Novartis	Europe	Health Care	Healthcare Costs	4,893	1.9
Charles Schwab	North America	Financials	Online Services	4,886	1.9
Walt Disney	North America	Communication Services	Screen Time	4,828	1.8
Hoya	Japan	Health Care	Online Services	4,767	1.8
Fiserv	North America	Information Technology	Online Services	4,743	1.8
Prologis (REIT) <sup>^</sup>	North America	Real Estate	Automation	4,739	1.8
Accenture	North America	Information Technology	Online Services	4,712	1.8
Fidelity National Information Services	North America	Information Technology	Online Services	4,542	1.7
Union Pacific	North America	Industrials	Low Carbon World	4,541	1.7
<b>Top 20 investments</b>				<b>102,960</b>	<b>39.2</b>
Amazon.com	North America	Consumer Discretionary	Online Services	4,528	1.7
Boston Scientific	North America	Health Care	Healthcare Costs	4,426	1.7
Louis Vuitton Moët Hennessy	Europe	Consumer Discretionary	Emerging Market	4,425	1.7
Colgate-Palmolive	North America	Consumer Staples	Consumer	4,395	1.7
Daifuku	Japan	Industrials	Emerging Market	4,385	1.7
Keyence	Japan	Information Technology	Consumer	4,330	1.7
PerkinElmer	North America	Health Care	Automation	4,309	1.6
Synopsys	North America	Information Technology	Scientific Equipment	4,185	1.6
Equinix (REIT) <sup>^</sup>	North America	Real Estate	Automation	4,185	1.6
Iberdrola	Europe	Utilities	Online Services	4,169	1.6
			Low Carbon World	4,144	1.6
<b>Top 30 investments</b>				<b>146,256</b>	<b>55.8</b>

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

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
DBS Group Holdings	Developed Asia	Financials	High Quality Assets	3,937	1.5
Visa	North America	Information Technology	Online Services	3,914	1.5
Taiwan Semiconductor Manufacturing	Emerging Markets	Information Technology	Automation	3,787	1.4
Newmont Goldcorp	North America	Materials	High Quality Assets	3,783	1.4
Segro (REIT)^	UK	Real Estate	Automation	3,730	1.4
National Grid	UK	Utilities	Low Carbon World	3,712	1.4
Nippon Telegraph & Telephone	Japan	Communication Services	Screen Time	3,680	1.4
Diageo	UK	Consumer Staples	Emerging Market Consumer	3,541	1.4
SIG Combibloc Group	Europe	Materials	Low Carbon World	3,491	1.3
L'Oreal	Europe	Consumer Staples	Emerging Market Consumer	3,469	1.3
<b>Top 40 investments</b>				<b>183,300</b>	<b>69.8</b>
China Life Insurance	Emerging Markets	Financials	Emerging Market Consumer	3,396	1.3
Omron	Japan	Information Technology	Automation	3,362	1.3
Mastercard	North America	Information Technology	Online Services	3,360	1.3
Shimano	Japan	Consumer Discretionary	Emerging Market Consumer	3,355	1.3
Terna Rete Elettrica Nazionale	Europe	Utilities	Low Carbon World	3,325	1.3
Prudential	UK	Financials	Emerging Market Consumer	3,282	1.3
Comcast	North America	Communication Services	Screen Time	3,157	1.2
Cadence Design Systems	North America	Information Technology	Automation	3,110	1.2
Discover Financial Services	North America	Financials	High Quality Assets	3,019	1.1
Ascendas (REIT)^	Developed Asia	Real Estate	High Quality Assets	2,954	1.1
<b>Top 50 investments</b>				<b>215,620</b>	<b>82.2</b>
Live Nation Entertainment	North America	Communication Services	Screen Time	2,932	1.1
Verallia	Europe	Materials	High Quality Assets	2,667	1.0
Agilent Technologies	North America	Health Care	Scientific Equipment	2,578	1.0
AT&T	North America	Communication Services	Screen Time	2,576	1.0
Citizens Financial Group	North America	Financials	High Quality Assets	2,531	1.0
Sumitomo Forestry	Japan	Consumer Discretionary	High Quality Assets	2,451	0.9
Sysmex	Japan	Health Care	Scientific Equipment	2,442	0.9
Cie Financiere Richemont	Europe	Consumer Discretionary	Emerging Market Consumer	2,439	0.9
Thai Beverage	Emerging Markets	Consumer Staples	Emerging Market Consumer	2,353	0.9
Nexi	Europe	Information Technology	Online Services	2,352	0.9
<b>Top 60 investments</b>				<b>240,941</b>	<b>91.8</b>

^ Real Estate Investment Trust

## Investments (continued)

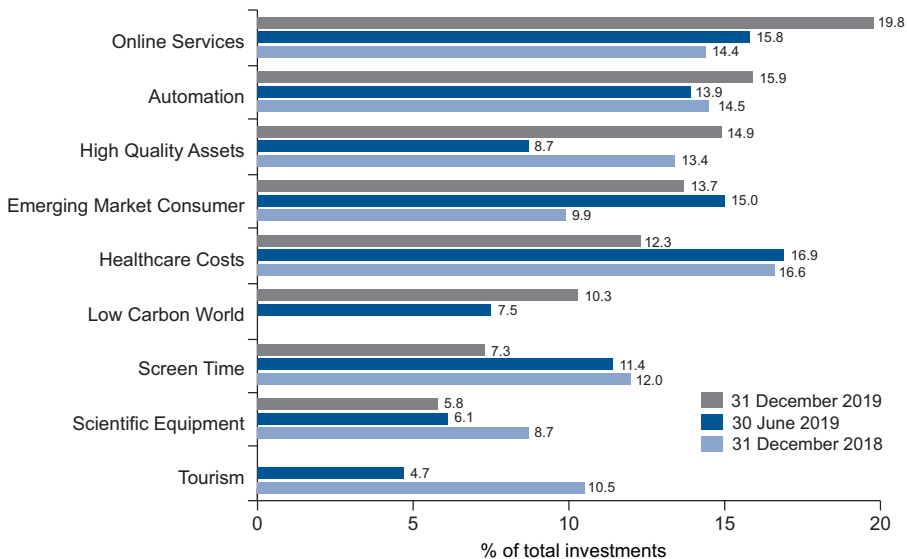
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Yaskawa Electric	Japan	Information Technology	Automation	2,346	0.9
LG Uplus	Emerging Markets	Communication Services	Screen Time	2,189	0.8
Harmonic Drive Systems	Japan	Industrials	Automation	2,103	0.8
Nabtesco	Japan	Industrials	Automation	2,061	0.8
Autodesk	North America	Information Technology	Automation	1,953	0.7
JD.com <sup>1</sup>	Emerging Markets	Consumer Discretionary	Online Services	1,903	0.7
Network International Holdings	Emerging Markets	Information Technology	Online Services	1,826	0.7
Dassault Systemes	Europe	Information Technology	Automation	1,815	0.7
Tabula Rasa HealthCare	North America	Information Technology	Healthcare Costs	1,562	0.6
Lloyds Banking Group	UK	Financials	High Quality Assets	1,551	0.6
<b>Top 70 investments</b>				<b>260,250</b>	<b>99.1</b>
Weyerhaeuser (REIT) <sup>^</sup>	North America	Real Estate	Low Carbon World	1,222	0.5
Land Securities Group (REIT) <sup>^</sup>	UK	Real Estate	High Quality Assets	1,019	0.4
InterXion Holding	Europe	Information Technology	Online Services	974	0.4
<b>Total equity investments (73)</b>				<b>263,465</b>	<b>100.4</b>
Net current assets (excluding bank loans)				5,170	2.0
Bank loan				(6,317)	(2.4)
<b>Total net assets</b>				<b>262,318</b>	<b>100.0</b>

<sup>1</sup> American Depositary Receipt

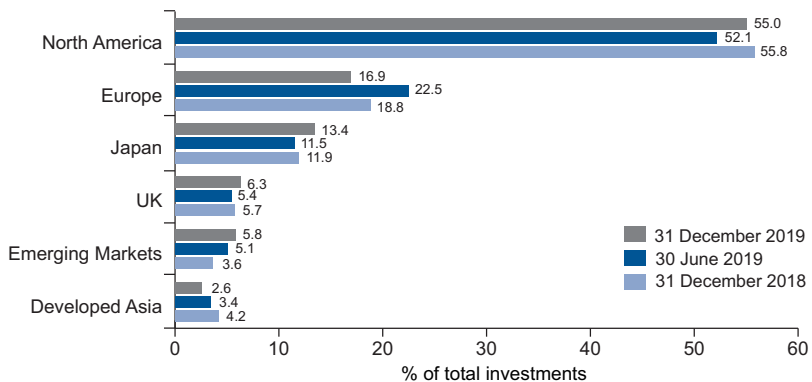
<sup>^</sup> Real Estate Investment Trust

# Thematic and regional analysis of the portfolio

## Thematic analysis



## Regional analysis



## Statement of Principal Risks and Uncertainties

Pursuant to DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, the principal risks faced by the Company include general market risk, regulatory, operational, financial and gearing risks.

These risks, which have not materially changed since the Annual Financial Report for the year ended 30 June 2019, and the way in which they are managed, are described in more detail in the Annual Financial Report which is available at [midwynd.com](http://midwynd.com).

## 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 2019:

- the condensed set of financial statements has been prepared in accordance with Financial Reporting Standard ('FRS') 104: 'Interim Financial Reporting';
- having considered the expected cash flows and operational costs of the Company for the 18 months from the period end, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis of accounting continues to be used in the preparation of the Half-Yearly Financial Report;
- the Chairman's statement to shareholders, Investment Manager's review and the Statement of Principal Risks and Uncertainties include 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 report that could do so.

The Half-Yearly Financial Report for the six months ended 31 December 2019 was approved by the Board and the above responsibility statement has been signed on its behalf by:

**Malcolm Scott**  
**Chairman**

2 March 2020

## Condensed statement of comprehensive income

	Note	For the six months ended 31 December 2019 (unaudited)			For the six months ended 31 December 2018 (unaudited)			For the year ended 30 June 2019 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	12,440	12,440	–	(14,137)	(14,137)	–	24,118	24,118
Currency (losses)/gains		–	(19)	(19)	–	74	74	–	75	75
Income		2,072	–	2,072	1,300	–	1,300	3,592	–	3,592
Investment management fee		(158)	(473)	(631)	(121)	(363)	(484)	(248)	(742)	(990)
Other expenses		(177)	(31)	(208)	(131)	(35)	(166)	(281)	(9)	(290)
<b>Net return/(loss) before finance costs and taxation</b>		<b>1,737</b>	<b>11,917</b>	<b>13,654</b>	<b>1,048</b>	<b>(14,461)</b>	<b>(13,413)</b>	<b>3,063</b>	<b>23,442</b>	<b>26,505</b>
Finance costs of borrowings		(23)	(69)	(92)	(9)	(28)	(37)	(38)	(116)	(154)
<b>Net return/(loss) on ordinary activities before taxation</b>		<b>1,714</b>	<b>11,848</b>	<b>13,562</b>	<b>1,039</b>	<b>(14,489)</b>	<b>(13,450)</b>	<b>3,025</b>	<b>23,326</b>	<b>26,351</b>
Taxation on ordinary activities		(221)	–	(221)	(137)	–	(137)	(375)	–	(375)
<b>Net return/(loss) on ordinary activities after taxation</b>		<b>1,493</b>	<b>11,848</b>	<b>13,341</b>	<b>902</b>	<b>(14,489)</b>	<b>(13,587)</b>	<b>2,650</b>	<b>23,326</b>	<b>25,976</b>
<b>Net return/(loss) per share</b>	<b>2</b>	<b>3.49p</b>	<b>27.64p</b>	<b>31.13p</b>	<b>2.36p</b>	<b>(37.93)p</b>	<b>(35.57)p</b>	<b>6.79p</b>	<b>59.73p</b>	<b>66.52p</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/(loss) for the period disclosed above represents the Company's total comprehensive income.

## Condensed statement of financial position

	Note	As at 31 December 2019 (unaudited) £'000	As at 31 December 2018 (unaudited) £'000	As at 30 June 2019 (audited) £'000
<b>Non current assets</b>				
Investments held at fair value through profit or loss	5	263,465	175,515	225,249
<b>Current assets</b>				
Debtors		1,388	801	1,183
Cash and cash equivalents		5,720	7,896	5,529
		7,108	8,697	6,712
<b>Creditors</b>				
Amounts falling due within one year	4	(8,255)	(6,516)	(5,877)
<b>Net current (liabilities)/assets</b>		(1,147)	2,181	835
<b>Total net assets</b>		<b>262,318</b>	<b>177,696</b>	<b>226,084</b>
<b>Capital and reserves</b>				
Called up share capital	6	2,258	1,951	2,044
Capital redemption reserve		16	16	16
Share premium		95,095	61,265	70,782
Capital reserve		161,535	111,872	149,687
Revenue reserve		3,414	2,592	3,555
<b>Shareholders' funds</b>		<b>262,318</b>	<b>177,696</b>	<b>226,084</b>
<b>Net asset value per ordinary share</b>		<b>581.10p</b>	<b>455.50p</b>	<b>553.16p</b>



## Condensed statement of changes in equity

	Note	For the six months ended 31 December 2019 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2019		2,044	16	70,782	149,687	3,555	226,084
Net return on ordinary activities after taxation		–	–	–	11,848	1,493	13,341
Issue of new shares	6	214	–	24,313	–	–	24,527
Dividend paid		–	–	–	–	(1,634)	(1,634)
<b>Shareholders' funds at 31 December 2019</b>		<b>2,258</b>	<b>16</b>	<b>95,095</b>	<b>161,535</b>	<b>3,414</b>	<b>262,318</b>

	Note	For the six months ended 31 December 2018 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2018		1,861	16	52,173	126,361	3,126	183,537
Net (loss)/return on ordinary activities after taxation		–	–	–	(14,489)	902	(13,587)
Issue of new shares	6	90	–	9,092	–	–	9,182
Dividend paid		–	–	–	–	(1,436)	(1,436)
<b>Shareholders' funds at 31 December 2018</b>		<b>1,951</b>	<b>16</b>	<b>61,265</b>	<b>111,872</b>	<b>2,592</b>	<b>177,696</b>

	Note	For the year ended 30 June 2019 (audited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2018		1,861	16	52,173	126,361	3,126	183,537
Net return on ordinary activities after taxation		–	–	–	23,326	2,650	25,976
Issue of new shares	6	183	–	18,609	–	–	18,792
Dividends paid		–	–	–	–	(2,221)	(2,221)
<b>Shareholders' funds at 30 June 2019</b>		<b>2,044</b>	<b>16</b>	<b>70,782</b>	<b>149,687</b>	<b>3,555</b>	<b>226,084</b>

<sup>1</sup> Capital reserve as at 31 December 2019 includes unrealised gains of £34,094,000 (31 December 2018: £4,690,000; 30 June 2019: £37,109,000).

<sup>2</sup> These reserves form the distributable reserves of the Company.

## Condensed statement of cash flows

	Note	For the six months ended 31 December 2019 (unaudited) £'000	For the six months ended 31 December 2018 (unaudited) £'000	For the year ended 30 June 2019 (audited) £'000
<b>Cash generated in operations</b>		903	570	1,941
Interest received		70	49	96
Interest paid		(92)	(37)	(154)
<b>Net cash generated from operating activities</b>		881	582	1,883
<b>Cash flow from investing activities</b>				
Purchase of investments		(144,871)	(131,576)	(237,157)
Sale of investments		120,330	121,274	213,826
Realised currency (losses)/gains		(294)	113	105
<b>Net cash used in investing activities</b>		(24,835)	(10,189)	(23,226)
<b>Cash flow from financing activities</b>				
Issue of new shares, net of costs	6	24,229	9,021	19,167
Net drawdown of credit facility		1,550	582	583
Dividends paid		(1,634)	(1,436)	(2,221)
Credit facility renewal fee		–	1	6
<b>Net cash generated from financing activities</b>		24,145	8,168	17,535
<b>Net increase/(decrease) in cash and cash equivalents</b>		191	(1,439)	(3,808)
<b>Cash and cash equivalents at start of the period</b>		5,529	9,350	9,350
Increase/(decrease) in cash in the period		191	(1,439)	(3,808)
Unrealised currency losses on cash and cash equivalents		–	(15)	(13)
<b>Cash and cash equivalents at end of the period</b>		5,720	7,896	5,529

# Notes to the Half-Yearly Financial Report

## 1 Accounting policies

The condensed financial statements for the six months to 31 December 2019 comprise the statements set out on pages 13 to 16 together with the related notes on pages 17 to 19. 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 2019 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 October 2019.

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 2019 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Act.

## 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 2019 being 42,864,378 (31 December 2018: 38,199,568; 30 June 2019: 39,052,594).

## 3 Dividend

An interim dividend for the six months ended 31 December 2019 of 3.00 pence per ordinary share (31 December 2018: 1.98 pence) has been declared. This dividend will be paid on 31 March 2020 to those shareholders on the register at close of business on 13 March 2020.

## 4 Borrowing facilities

The Company has entered into a three year agreement with Scotiabank (Ireland) Designated Activity Company for a US\$30 million multi-currency revolving credit facility on revised terms to February 2021, of which US\$5.0 million (£3.8 million) was drawn down at 31 December 2019 (31 December 2018: US\$3.0 million (£2.4 million); 30 June 2019: US\$3.0 million (£2.4 million)) and €3.0 million (£2.5 million) was drawn down at 31 December 2019 (31 December 2018: €3.0 million (£2.7 million); 30 June 2019: €3.0 million (£2.7 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 equivalent to 1.05% over the relevant currency LIBOR i.e. Sterling, US dollar and Japanese yen, and the Euro interbank offered rate (EURIBOR) is used for Euro. The US\$ interest rate applied as at 31 December 2019 was 2.951% (31 December 2018: 3.566%; 30 June 2019: 3.595%). The € interest rate applied as at 31 December 2019 was 1.05% (31 December 2018: 1.05%; 30 June 2019: 1.05%).

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

### 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 2019 £'000	31 December 2018 £'000	30 June 2019 £'000
Level 1	263,465	175,515	225,249
<b>Total financial asset investments</b>	<b>263,465</b>	<b>175,515</b>	<b>225,249</b>

### 6 Share capital

As at 31 December 2019 there were 45,141,416 ordinary shares in issue (31 December 2018: 39,011,416; 30 June 2019: 40,871,416).

In the six months ended 31 December 2019 4,270,000 ordinary shares were allotted with total proceeds of £24,561,000 (six months ended 31 December 2018: 1,800,000 ordinary shares were allotted with total proceeds of £9,206,000; year ended 30 June 2019: 3,660,000 ordinary shares were allotted with total proceeds of £18,860,000).

There are no ordinary shares held in treasury.

### 7 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 2019, £56,000 was paid to Directors (31 December 2018: £56,000; 30 June 2019: £112,000) of which £nil was outstanding at the period end (31 December 2018: £14,000; 30 June 2019: £14,000).

## 8 Transactions with the Investment Manager

The investment management fee payable to Artemis Fund Managers Limited for the six months ended 31 December 2019 was £631,000 (31 December 2018: £484,000; 30 June 2019: £990,000) of which £321,000 was outstanding at the period end (31 December 2018: £233,000; 30 June 2019: £264,000).

## Information for shareholders

### 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 the Registrar 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 Company Code to do this (this information can be found on the last dividend voucher or your share certificate).

### Dividend reinvestment plan

Computershare operates the Company's 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

Tax legislation in the UK requires the Company to provide information annually to HM Revenue & Customs ('HMRC') on the tax residencies of those certificated shareholders that are tax resident outwith the UK and resident in a country that has signed up to the OECD's ('Organisation for Economic Co-Operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information, or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new shareholders, excluding those whose shares are held in CREST, that enter the share register will be sent a certification form from 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 – information for account holders: [gov.uk/government/publications/exchange-of-information-account-holders](http://gov.uk/government/publications/exchange-of-information-account-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 investment products 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](http://trustnet.com)). Further information can be found on the Company's website ([midwynd.com](http://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

November

## Glossary

### 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 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.

### 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.

### Gearing

Gearing is the process whereby changes in the total assets of a company have an exaggerated effect on the net assets of that company's ordinary shares due to the use of borrowings.

The Company's position is set out below:

	As at 31 December 2019 £'000	As at 30 June 2019 £'000	As at 31 December 2018 £'000
Total assets	268,634	231,126	184,212
Cash and cash equivalents	(5,720)	(5,529)	(7,896)
Net assets	262,914 262,318	225,597 226,084	176,316 177,696
<b>Net (gearing)/cash</b>	<b>(0.2%)</b>	<b>0.2%</b>	<b>0.8%</b>

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



## 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.

## Ongoing charges

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

	As at 31 December 2019 £'000	As at 30 June 2019 £'000	As at 31 December 2018 £'000
Investment management fee	631	990	484
Other expenses	208	290	137
Total expenses	839	1,280	621
Average net assets	223,540	196,426	179,153
<b>Ongoing charges</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</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 for the period/year ended

	31 December 2019 p	30 June 2019 p	31 December 2018 p
Opening net asset value	553.20	493.23	493.23
Closing net asset value	581.10	553.20	455.49
Dividends paid during financial period	3.85	5.73	3.75
	<b>5.8%</b>	<b>13.3%</b>	<b>(7.0)%</b>

## Share price total return for the period/year ended

	31 December 2019 p	30 June 2019 p	31 December 2018 p
Opening share price	568.00	498.00	498.00
Closing share price	602.00	568.00	465.00
Dividends paid during financial period	3.85	5.73	3.75
	<b>6.7%</b>	<b>15.2%</b>	<b>(5.9)%</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.

## General information

### Directors

Malcolm Scott (Chairman)  
Diana Dyer Bartlett (appointed 1 February 2020)  
David Kidd  
Harry Morgan  
Russell Napier  
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

Calls to this number cost 2 pence per minute plus network extras. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday.

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

### Administrator

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

### Depository

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



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