

This document comprises a prospectus relating to Mid Wynd International Investment Trust PLC (the "Company"). This prospectus has been approved by the Financial Conduct Authority (the "FCA"), as competent authority under Regulation (EU) 2017/1129. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by EU Regulation 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares. This prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at [midwynd.com](http://midwynd.com).

The Directors of the Company, whose names appear on page 18 of this document, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

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## **MID WYND INTERNATIONAL INVESTMENT TRUST PLC**

*(Incorporated in Scotland with registered no. SC042651)*

*(Registered as an investment company under section 833 of the Companies Act 2006)*

### **Issue of New Shares pursuant to the Company's Share Issuance Programme**

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Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, during the period from 1 July 2020 to 29 June 2021.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the New Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the FCA, is the sponsor to the Company. Dickson Minto W.S. is not acting for any other person in connection with the Issues. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. and is not advising any other person in relation to any transaction contemplated in or by this document.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom or, in the case of Overseas Investors, another appropriately authorised financial adviser. Potential investors should also consider the risk factors relating to the Company set out on pages 9 to 13 of this document.

30 June 2020

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## SUMMARY

### INTRODUCTION AND WARNING

#### ***Introduction***

This document relates to the issue of ordinary shares of 5 pence each (the "**Ordinary Shares**") in the capital of Mid Wynd International Investment Trust PLC (the "**Company**") in accordance with the Company's Share Issuance Programme. The ISIN for the Ordinary Shares is GB00B6VTTK07. The LEI of the Company is 549300D32517C2M3A561 and its registered office is at 6th Floor Exchange Plaza, 50 Lothian Road, Edinburgh, Scotland, EH3 9BY.

This prospectus was approved by the Financial Conduct Authority (the "**FCA**") in the United Kingdom on 30 June 2020. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000).

#### ***Warning***

The following summary should be read as an introduction to this document. Any decision to invest in the Ordinary Shares should be based on a consideration of this document as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.

It should be remembered that the price of the Ordinary Shares, and the income from such Ordinary Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

### KEY INFORMATION ON THE ISSUER

#### ***Who is the issuer of the securities?***

Mid Wynd International Investment Trust PLC was incorporated and registered in Scotland on 4 October 1965 as a public company limited by shares under the Companies Act 1948 with registered number SC042651. The Ordinary Shares were first admitted to listing in 1981. The Company's LEI is 549300D32517C2M3A561. The principal legislation under which the Company operates is the Companies Act.

The Company is a closed-ended investment company and operates as an investment trust, approved by HMRC, in accordance with the Tax Act. The investment objective of the Company is to achieve capital and income growth by investing on a worldwide basis. Although the Company aims to grow its dividend progressively over time, its primary aim is to maximise total returns to Shareholders.

As at 26 June 2020 (being the latest practicable date prior to the publication of this document) the Company is aware of the following persons who are interested in three per cent. or more of the Company's issued share capital.

	<i>No. of Ordinary Shares held</i>	<i>Percentage of issued share capital</i>
Rathbone Investment Management Limited	4,765,485	9.5%
Mr Simon Edelsten	2,099,527	4.2%

The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, own or exercise control over the Company, or of any arrangement the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder.

The Company's investment manager is Artemis Fund Managers Limited. The Directors of the Company are as follows:

- Malcolm Scott (*Chairman*);
- Russell Napier (*Senior Independent Director*);
- David Kidd;
- Harry Morgan;
- Alan Scott; and
- Diana Dyer Bartlett (*Chair of the Audit Committee*).

All of the Directors are non-executive directors and are independent of the Investment Manager.

It was announced by the Company in its annual report for the year ended 30 June 2019 that Mr Malcolm Scott will not seek re-election at the next annual general meeting of the Company, expected to be held in November 2020, and that Mr Napier will succeed him as Chairman of the Board. Upon Mr Napier's appointment as Chairman of the Company, Harry Morgan will be appointed Senior Independent Director.

The Company announced on 28 January 2020 that its auditor, Scott-Moncrieff, had resigned from its office as statutory auditor with immediate effect. This followed the decision by Scott-Moncrieff to cease providing audit services to Public Interest Entities, such as the Company. Scott-Moncrieff confirmed that there were no circumstances in connection with their ceasing to hold office that needed to be brought to the attention of the members or creditors of the Company.

Following the conclusion of a formal competitive tender process, the Company announced on 25 March 2020 that the Board had appointed Johnston Carmichael LLP as its auditor with effect from 25 March 2020. The Auditors will conduct the audit of the Company's financial statements for the financial year ending 30 June 2020. The appointment of Johnston Carmichael LLP is subject to approval by shareholders at the next annual general meeting of the Company expected to be held in November 2020.

#### ***What is the key financial information regarding the issuer?***

Selected financial information relating to the Company which summarises the financial condition of the Company for the financial periods ended 30 June 2019 and 31 December 2019 is set out in the

following table.

	<i>Year ended 30 June 2019</i>	<i>6 months ended 31 December 2019</i>
<b>Net asset value</b>		
Number of Ordinary Shares in issue	40,871,416	45,141,416
Net assets (£'000)	226,084	262,318
Net asset value per Ordinary Share (p)	553.16	581.10
<b>Ordinary Share price (p)</b>	<b>568.00</b>	<b>602.00</b>
<b>Income</b>		
Total investment income before operating expenses (£'000)	3,592	2,072
Net return attributable to equity shareholders (£'000)	3,063	1,737
Performance fee (accrued/paid) (£'000)	n/a	n/a
Investment Manager's fee charged to revenue (accrued/paid) (£'000)	248	158
Any other material fees (accrued/paid) to service providers (£'000)	281	177
Revenue return per Ordinary Share (p)	6.79	3.49
Dividend per Ordinary Share (p)	5.83	3.00
<b>Ongoing charges</b>		
As a percentage of average Shareholders' funds	0.7%	n/a
<b>Portfolio summary</b>		
Shareholders' funds (£'000)	226,084	262,318

***What are the key risks that are specific to the issuer?***

The following are brief descriptions of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Company.

- Changes in economic conditions and other factors can substantially and adversely affect the value of the Company's investments and therefore the Company's performance and prospects.
- The Company operates in a regulatory environment and failure to comply with the regulations affecting the Company, including maintaining its status as an investment trust, could have a material adverse effect on the financial position of the Company.
- The comparator index against which performance is measured is the MSCI All Country World Index (GBP). The portfolio is actively managed and does not seek to track the comparator index and, although sector concentration and thematic characteristics of the portfolio are carefully monitored, there are no maximum limits to deviation from the comparator index's stocks or sector weights. The Ordinary Shares are an unsuitable investment for those who seek investments in some way correlated to a stock market index.
- The Company relies upon third party service providers, in particular the Investment Manager, to perform certain integral functions. Failure by any service provider to perform its obligations, or to exercise due care and skill, or loss of key personnel by any service

provider, could have a material adverse effect on the Company's performance.

## KEY INFORMATION ON THE SECURITIES

### ***What are the main features of the securities?***

The Ordinary Shares have a nominal value of 5 pence each and are denominated in sterling. The ISIN of the Ordinary Shares is GB00B6VTTK07 and the SEDOL number is B6VTTK0. The ticker code for the Ordinary Shares is MWY.

As at 26 June 2020 (being the latest practicable date prior to the publication of this document) the issued share capital of the Company comprised 50,234,114 Ordinary Shares and no Ordinary Shares were held in treasury.

The New Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the relevant Issue). Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders have the right to receive notice of, attend and vote at general meetings of the Company. Subject to the provisions of the Companies Act, the Company may from time to time declare dividends and make other distributions on the Ordinary Shares. Shareholders are entitled to participate in the net assets of the Company attributable to their Ordinary Shares on a winding up of the Company or other return of capital.

There are no restrictions on the transferability of the Ordinary Shares.

The Company does not have any formal policy to achieve any specified level of dividend. The Company aims to grow its dividend progressively over time, although this is subordinate to the primary aim of maximising total returns to Shareholders.

### ***Where will the securities be traded?***

Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, during the period from 1 July 2020 to 29 June 2021.

### ***What are the key risks that are specific to the securities?***

The following is a brief description of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Ordinary Shares.

- The Company's functional currency and that in which it reports its results is sterling. However, the majority of the Company's assets, liabilities and income are denominated in currencies other than sterling. Consequently, movements in exchange rates will affect the sterling value of those items. The country in which a portfolio company is listed is not necessarily where it earns its profits and movement in exchange rates on overseas earnings may have a more significant impact upon a portfolio company's valuation than a simple translation of the Company's Share price into sterling.
- The policy of the Board is to seek to maintain a Share price as close as possible to the

NAV per Share, and, in normal conditions, the Board will seek to maintain the Share price within a 2 per cent. discount/premium band relative to the NAV per Share. There can be no guarantee that the Company will always be able to operate, or be successful in operating, such policy which may affect the premium or discount to the NAV per Share at which the Ordinary Shares trade and the liquidity in the Ordinary Shares.

- The Company may use derivatives. The use of derivatives may lead to higher volatility in the NAV per Share and Ordinary Share price than might otherwise be the case.

## **KEY INFORMATION ON THE OFFER**

### ***Under which conditions and timetable can I invest in this security?***

No public offer of Ordinary Shares is being made by the Company. The Company may issue a maximum of 25 million New Shares under this Prospectus pursuant to the Share Issuance Programme. Each Issue will be conditional upon admission on the relevant New Shares to the premium segment of the Official List and to trading on the Main Market.

New Shares will only be issued at a premium to the prevailing NAV per Share.

The Documentation Costs, which have been or will be borne by the Company, are approximately £96,800. The immediate dilution in the NAV per Share arising from the Documentation Costs (on the assumption that no New Shares are issued pursuant to the Share Issuance Programme and based on the NAV per Share as at 26 June 2020) is approximately 0.03 per cent.

It is intended that a proportion of the Documentation Costs will be recovered through the Issue Price on each Issue although the recovery of all or any part of the Documentation Costs cannot be guaranteed.

New Shares will only be issued within the parameters of the Board's premium control policy. The Issue Price will be determined by the Board at the time of each Issue. New Shares will be issued at a level of premium to the NAV per Share (which shall include a premium expected to cover the fixed and variable costs of operating the Board's discount and premium control policy and the costs of investing the proceeds of the Share Issuance Programme) such that, disregarding the Documentation Costs, no Issue is expected to be dilutive to the NAV per Share. No expenses or tax in connection with any Issue will be charged directly to the investor.

Assuming that the maximum number of New Shares available for issue under this document are issued at an Issue Price of 603.79 pence per Share (being the NAV per Share calculated as at close of business on 26 June 2020), approximately £150,947,500 in aggregate would be raised under the Issues. On these assumptions the total costs and expenses of and incidental to the Issues to be borne by the Company will be approximately £329,294, being 0.22 per cent. of the total proceeds of the Issues. The premium to the NAV per Share at which New Shares will be issued will be determined by the Board at their discretion at the time of Issue.

### ***Why is this prospectus being produced?***

The Prospectus Regulation Rules provide that a company may only apply for the admission to trading on a regulated market of shares representing, over a period of 12 months, up to 20 per cent. of that company's existing issued share capital before the Company must publish a prospectus.

Due to market demand for the Ordinary Shares in the last three months and the anticipated continued demand for the Ordinary Shares, the Board expects that the Company will exceed the 20 per cent. prospectus exemption threshold shortly. The Board believes that the Company's continuing ability to issue Ordinary Shares under the Share Issuance Programme at a premium to the prevailing NAV per Share creates shareholder value. The publication of this Prospectus will allow the Company to continue to satisfy demand.



## RISK FACTORS

**The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company or the Ordinary Shares. There may be additional risks that the Directors do not currently consider to be material, or which are not presently known to the Directors. Before investing in the Ordinary Shares, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under FSMA if they are in the United Kingdom or, in the case of Overseas Investors, another appropriately authorised independent financial adviser.**

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Prospective investors should consider carefully all of the information set out in this document, including the risks described below, as well as their own personal circumstances, before deciding to invest in the Company.

The Directors believe that the risks described below are the material risks relating to an investment in the Ordinary Shares at the date of this document. If any of the adverse events described below occur, the Company's financial condition, performance and prospects and the market price of the Ordinary Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this document, or that the Directors considered to be immaterial at the date of this document, may also have an adverse affect on the Company's financial condition, performance and prospects and the market price of the Ordinary Shares.

**Potential investors should carefully consider all the information in this document, including the following material risk factors in relation to the Company and the Ordinary Shares, before deciding to invest in the Company.**

### **Risks relating to an investment in an investment trust**

#### ***Cessation of investment trust status***

The Company aims to conduct its business so as to continue to satisfy the conditions to retain approval as an investment trust under section 1158 of the Tax Act. The Company has been approved as an investment trust pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011 and it will therefore continue to have investment trust status in each accounting period going forward, save where the Company commits a serious breach of one or more of the conditions for qualification as an investment trust, and will be exempt from United Kingdom taxation on its capital gains. Breach of the tests that a company must meet to retain approval as an investment trust company could lead to the Company being subject to tax on capital gains which could have a material adverse effect on the financial position of the Company and on returns to Shareholders.

### ***Discount and premium control***

The market prices of shares in investment trusts fluctuate independently of their underlying net asset value per share and can be at a discount or premium to such net asset value per share at different times, depending on supply and demand, market conditions, general investor sentiment, dividend yields, prevailing interest rates and other factors. Accordingly, the market price of an Ordinary Share may not fully reflect its underlying NAV per Share.

The Investment Manager monitors the level of the discount or premium at which the Ordinary Shares trade and the Company currently has authority to buyback or issue Shares when the Board considers it to be in the best interests of Shareholders as a whole. The Board recognises that it is in the interests of Shareholders to maintain a Share price as close as possible to the NAV per Share, and, in normal market conditions, will seek to maintain the Share price within a 2 per cent. discount/premium band relative to the NAV per Share. The ability of the Company to seek to control the level of discount or premium will depend on the Company continuing to be able to buyback or issue Ordinary Shares, which will be dependent upon Shareholders in general meetings conferring authority on the Board to buy back or issue Ordinary Shares. The Board intends to seek renewal of the relevant authorities from Shareholders annually and at other times should this prove necessary. However, there can be no guarantee that the requisite Shareholder authorities will be obtained.

### ***Liquidity***

The Company is a closed-ended company and, as such, Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time. Therefore Shareholders wishing to realise their investment in the Company may need to dispose of their Ordinary Shares in the market.

The price at which the Ordinary Shares will be traded and the price at which Shareholders may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. There can be no guarantee that the Ordinary Shares will trade at prices close to the price paid by a Shareholder to acquire their Ordinary Shares. Furthermore, there can be no guarantee that the Company will be able to maintain the Share price within a 2 per cent. discount/premium band relative to the NAV per Share.

### ***Third party service providers***

The Company has no employees and all of the Directors have been appointed on a non-executive basis. The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager, the Administrator, the Depositary, the Registrar and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. The Company is also dependent on those service providers to protect against breaches of the Company's legal and regulatory obligations, including in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on the Company's operations and performance and on returns to Shareholders. The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for any such service

provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

### ***Regulatory risk***

The Company is subject to laws and regulations enacted in the UK and elsewhere. In particular, the Company is subject to and is required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment objective and policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

The Company is subject to and will be required to comply with the Listing Rules and the admission and disclosure standards of the London Stock Exchange. A failure by the Company to comply with those rules and standards may result in the Ordinary Shares being suspended from listing.

### **Risks relating to an investment in the Company**

#### ***Equity portfolio***

The Company seeks to achieve its investment objective by investing in a portfolio of international quoted equities. The prices of equity investments may be volatile and are affected by a wide variety of factors many of which can be unforeseen and are outwith the control of the investee company or the Investment Manager. These price movements could result in significant losses for the Company which would impact the returns to Shareholders and may affect the ability of Shareholders to realise their investments.

Changes to, or the introduction of new, international trade agreements, international trade cooperation, double tax treaties or other international customs, taxation (in particular withholding and corporate tax), trade tariffs, capital controls and regulations could have a material adverse effect on the Company's operations and performance and on returns to Shareholders.

The Company invests in a range of instruments, including those issued by quoted closed-ended companies, some of which are relatively illiquid. The number, quality and size of investment opportunities, and general market and economic conditions, may lead to delays in investing the net proceeds of the Issues. If equity prices rise or fall significantly before the net proceeds are fully invested, the potential returns available to Shareholders may differ from the returns which would have been available on the Company's existing portfolio.

#### ***Foreign currency risks***

The Company's functional currency and that in which it reports its results is sterling. However, the majority of the Company's assets, liabilities and income are denominated in currencies other than sterling. Consequently, movements in exchange rates will affect the sterling value of those items. The country in which a portfolio company is listed is furthermore not necessarily where it earns its profits and movements in exchange rates on overseas earnings may have a more significant impact upon a portfolio company's valuation than a simple translation of that company's share price into sterling. The Company does not generally hedge its currency exposures and changes in exchange

rates may lead to a reduction in the Company's Net Asset Value.

### ***Borrowing***

The Company may use borrowings for investment purposes and it has entered into a multicurrency revolving credit facility with Scotiabank (Ireland) Limited to enable it to do so. Whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

The Company pays interest on amounts drawn down under the facility at different rates depending on the currency drawn down. Interest is charged on each currency at variable rates equivalent to 1.05 per cent. over the relevant currency LIBOR, except for funds drawn down in Euros where interest is charged at a variable rate equivalent to 1.05 per cent. over the Euro interbank offered rate (EURIBOR). As such, the Company will be exposed to fluctuations in the prevailing market rates for each currency drawn down under the facility.

The Company's multicurrency revolving credit facility with Scotiabank (Ireland) Limited matures in February 2021. As at 26 June 2020 the Company had drawn down approximately €5 million (£4.55 million) and US\$6 million (£4.87 million) under the facility. The Board currently believes that the Company will be able to refinance the facility on similar terms when it matures. However, there can be no guarantee that the facility will be refinanced on its maturity date, either on terms that are acceptable to the Company or, in certain circumstances, at all. If it is not possible, or if the Board considers that it would not be in the best interests of the Company, to refinance the facility on its maturity date, the Company will be required to repay any outstanding amounts drawn down under the facility using the Company's available cash reserves and/or proceeds arising through the sale of part of the Company's investment portfolio. As at close of business on 30 May 2020, the Company's portfolio comprised investments with an aggregate unaudited value of approximately £297,731,000 and cash reserves of approximately £5,151,000 million. If the Company was to no longer have access to a multicurrency credit facility or if a new facility was entered into on less favourable terms than the current facility, this may diminish the investment returns of the Company.

### ***Comparator index***

The comparator index against which performance is measured is the MSCI All Country World Index (GBP). However, the Company's portfolio is actively managed and does not seek to track the constituents of the comparator index and, although sector concentration and thematic characteristics of the portfolio are carefully monitored, there are no maximum limits to deviation from the comparator index stock or sector weights. The Ordinary Shares are an unsuitable investment for those who seek investments in some way correlated to a stock market index.

### ***Investment Manager***

The Company's portfolio is managed by the Investment Manager and in particular there are three investment executives within the Artemis Fund Managers Limited team who have direct responsibility for portfolio selection. In the event of any of these three investment executives being unable to continue in their role with the Company, the management arrangements would need to be reviewed by the Board to avoid any potential change in the investment strategy. Any such change

in relation to the Artemis Fund Managers Limited investment executives may result in the performance of the Company or its Ordinary Shares being adversely affected.

#### ***Fixed interest and alternative asset classes***

The Company may invest in asset classes other than equities from time to time, including preference shares, fixed income securities including corporate bonds and publicly-quoted property vehicles. Investments in these asset classes may lead to higher volatility in the NAV per Share and the Ordinary Share price as they could be more susceptible to adverse changes in the financial position of the issuer, general economic conditions, changes in market sentiment and changes in interest rates and a decline in market liquidity.

#### ***Derivatives***

The Company may enter into derivative arrangements principally, but not exclusively, for the purposes of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in its investments, including protection against currency risks). There is no guarantee that the use of derivatives will achieve these aims. The use of derivatives may lead to higher volatility in the NAV per Share and Ordinary Share price than might otherwise be the case.

#### ***Brexit***

The UK left the European Union on 31 January 2020. The UK has until 31 December 2020 to agree and ratify a trade deal with the European Union. The terms of any trade deal agreed between the UK and the European Union or the UK failing to agree a trade deal with the European Union could create uncertainty in the UK (and potentially global) markets and currencies, which may have a material effect on the total Shareholder returns, the Net Asset Value and the price of the Ordinary Shares favourably or unfavourably.

#### ***COVID-19 pandemic***

The COVID-19 pandemic and the measures taken to control the outbreak have led to volatility and a substantial decline in stock markets and other financial markets around the world and a downturn in the global economy. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when the global economy and financial markets will recover from the impact of the pandemic and what effect any secondary outbreaks may have on the global economy and financial markets. There can be no guarantee that the pandemic will not have a material adverse impact on the future investment returns of the Company, dividend yields and the price of the Ordinary Shares.

## IMPORTANT INFORMATION

### General

This document should be read in its entirety. New investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations about the Company or the Share Issuance Programme must not be relied on as having been authorised by the Company or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation neither the delivery of this document nor any investment made following the publication of this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

The Ordinary Shares are designed to be held over the long-term and are not suitable as a short-term investment. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be achieved or provide the returns sought by the Company. The past performance of the Company and the Investment Manager is not a guarantee of the future performance of the Company. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments. Although the Ordinary Shares are, and the New Shares will be, listed on the premium segment of the Official List and admitted to trading on the Main Market, it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling them.

Shareholders must not treat the contents of this document or any subsequent communications from the Company or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents, as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Apart from the liabilities and responsibilities (if any) which may be imposed on Dickson Minto W.S. by FSMA or the regulatory regime established thereunder, Dickson Minto W.S. makes no representations, express or implied, or accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the New Shares or the Issues. Dickson Minto W.S. accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of the Company.

**If you are in doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other professional or other financial**

**adviser.**

## **Regulatory information**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, New Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this document may be prohibited in some countries.

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of investors are based upon tax law and practice as at the date of this document, which are, in principle, subject to change. Any change in accounting standards may adversely affect the value of the Company's assets and liabilities in its books of account or restrict the ability of the Company to pay dividends.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and performance. The Company is subject to laws and regulations enacted by the UK and EU governments. In addition, the Company is required to comply with certain regulatory requirements which are applicable to closed-ended investment companies (including continuing obligations) whose shares are listed on the premium segment of the Official List. Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have an adverse effect on the ability of the Company to carry on its business and pursue its investment policy.

Investors should be aware that the Packaged Retail and Insurance-based Investment Products Regulation ("**PRIIPs Regulation**") requires the Investment Manager, as PRIIP manufacturer, to prepare a key information document ("**KID**") in respect of the Company. This KID must be made available by the Investment Manager to retail investors prior to them making any investment decision and is available on the Investment Manager's website and the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns referred to in the KID are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

## **Investment considerations**

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

Prospective investors must rely on their own representatives, including their own legal, financial and tax advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

## Forward looking statements

To the extent that this document includes "forward looking statements" concerning the Company, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 8 of Part 4 of this document.

The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Information in this document will be updated as required by the Prospectus Regulation Rules, Listing Rules, Disclosure Guidance and Transparency Rules and Market Abuse Regulation, as appropriate.

## Latest practicable date

In this document, where the context requires, references to 26 June 2020 should be treated as being references to the latest practicable date prior to the publication of this document.

## Documents incorporated by reference

The parts of the published annual report and accounts of the Company for the financial year ended 30 June 2019 and the interim report of the Company for the period ended 31 December 2019 specified in the table below are incorporated by reference into this document. The non-incorporated parts of these financial reports of the Company are either not relevant to investors or are covered elsewhere in this document.

	<i>Annual report and accounts for year ended 30 June 2019</i>	<i>Interim report for the six month period ended 31 December 2019</i>
<b>Nature of Information</b>	<b>Page No.</b>	<b>Page No.</b>
Financial Highlights	2	2
Chairman's Statement	4-5	3-4
Investment Manager's Review	6-8	5-7
Investments	9-10	8-10
Independent Auditor's Report	28-31	-
Statement of Comprehensive Income	32	13
Statement of Financial Position	33	14
Statement of Changes in Equity	34	15



Statement of Cash Flows	35	16
Notes to the Financial Statements	36-48	17-19

The documents incorporated by reference can be obtained from the Company's website, [midwynd.com](http://midwynd.com), and as set out in paragraph 12 of Part 6 of this document.

## **DIRECTORS, INVESTMENT MANAGER AND OTHER ADVISERS**

<b>Directors</b>	Mr Malcolm Scott (Chairman)* Mr Russell Napier Mr David Kidd Mr Harry Morgan Mr Alan Scott Mrs Diana Dyer Bartlett <small>*Mr Malcolm Scott will step down as Chairman at the next annual general meeting of the Company, expected to be held in November 2020, and will be succeeded as Chairman by Mr Napier.</small>
<b>Registered Office</b>	6th Floor Exchange Plaza 50 Lothian Road Edinburgh EH3 9BY
<b>Investment Manager, Alternative Investment Fund Manager and Company Secretary</b>	Artemis Fund Managers Limited Cassini House 57-59 St James's Street London SW1A 1LD
<b>Administrator and Depositary</b>	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
<b>Solicitor and Sponsor in relation to the Issues</b>	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Corporate Broker</b>	J.P. Morgan Cazenove 25 Bank Street Canary Wharf London E14 5JP
<b>Auditors</b>	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
<b>Custodian</b>	JPMorgan Chase Bank, N.A. 25 Bank Street Canary Wharf London E14 5JP

## ISSUE STATISTICS

Maximum number of New Shares to be issued under the Share Issuance Programme	25 million
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Issue Price	New Shares will be issued at a level of premium to the NAV per Share (which shall include a premium expected to cover the fixed and variable costs of operating the Board's discount and premium control policy and the costs of investing the proceeds of the Share Issuance Programme) such that, disregarding the Documentation Costs, no Issue is expected to be dilutive to the NAV per Share.
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## DEALING CODES

ISIN	GB00B6VTTK07
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SEDOL	B6VTTK0
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Ticker code	MWY
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Legal Entity Identifier (LEI) of the Company	549300D32517C2M3A561
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## PART 1

### MID WYND INTERNATIONAL INVESTMENT TRUST PLC

#### Introduction

Mid Wynd International Investment Trust PLC is an investment trust with the investment objective of achieving capital and income growth by investing on a worldwide basis. The Company is prepared to move freely between different markets, sectors, industries, market capitalisations and asset classes as investment opportunities dictate in order to achieve this.

The Company operates a share issuance programme to enable the Directors to make periodic issues of new shares to manage supply and demand for the Ordinary Shares in order to seek to maintain the Company's Share price within a 2 per cent. premium of the Company's NAV per Share in normal market conditions (the "**Share Issuance Programme**").

The Prospectus Regulation Rules provide that a company may only apply for the admission to trading on a regulated market of new shares representing, over a period of 12 months, up to 20 per cent. of that company's existing issued share capital, before it must publish a prospectus.

Due to market demand for the Ordinary Shares in the last three months and the anticipated continued demand for the Ordinary Shares, the Board expects that the Company will exceed the 20 per cent. prospectus exemption threshold shortly. The Board believes that the Company's continuing ability to issue Ordinary Shares at a premium to the prevailing NAV per Share creates Shareholder value. The publication of this Prospectus will allow the Company to continue to issue new Ordinary Shares under the Share Issuance Programme in order to seek to satisfy demand.

#### Background to the publication of this Prospectus

Shares in investment trusts can experience pricing volatility relative to their net asset value per share and sometimes the shares of individual investment trusts trade at a significant premium or discount to the net asset value per share. This can put those investing regularly at a disadvantage because they may find themselves buying shares at a sizeable premium that may not be sustained, which will have an adverse effect on the return from their investment. Similarly, if shares trade at a significant discount to the net asset value per share this can disadvantage shareholders who may wish to sell all or part of their holdings.

The Company has authority to issue new Ordinary Shares when demand exceeds supply in the market in order to seek to control the premium to the NAV per Share at which the Ordinary Shares trade. The Company also has authority to buyback Ordinary Shares when supply exceeds demand in order to seek to control the discount to the NAV per Share at which the Ordinary Shares trade. The Company will only issue or buyback Ordinary Shares where the Board believes that it is appropriate to do so and is in the best interests of the Company and Shareholders.

As a result of investor reaction to the COVID-19 pandemic, the Company's Share price and NAV fell by approximately 27 per cent. and 21 per cent. respectively between 20 February 2020 and 23 March 2020. During this period Company bought back 97,302 Ordinary Shares. Despite continued market volatility, the Company's Share price and NAV have substantially recovered and in the period from 23 March 2020 to 26 June 2020 the Company issued 3,330,000 Ordinary Shares (including 97,302 Ordinary Shares from treasury) on a non pre-emptive basis for cash and in each

case at a premium to the then prevailing NAV per Share.

In the 12 months prior to the publication of this Prospectus the Company has issued 9,460,000 Ordinary Shares (including 97,302 Ordinary Shares from treasury), representing 18.8 per cent. of the Company's issued share capital as at the date of this Prospectus. Other than the significant impact that the COVID-19 pandemic had on the Share price, during this period the Ordinary Shares have typically traded at a premium to the NAV per Share.

The Board believes that, as well as creating Shareholder value, the continued operation of the Share Issuance Programme will:

- increase liquidity in the Ordinary Shares;
- spread the fixed costs of the Company over a larger asset base; and
- reduce volatility in the market price of the Ordinary Shares by preventing the build up of excessive demand for the Ordinary Shares.

The proceeds of the Share Issuance Programme will be available for investment in line with the Company's investment policy.

Ordinary Shares will only be issued under the Share Issuance Programme for cash on a non pre-emptive basis at a premium to the prevailing NAV per Share and when the Directors believe that it is in the best interests of the Company and Shareholders to do so.

### **Discount and premium control**

The Board recognises that it is in the interests of Shareholders to maintain a Share price as close as possible to the NAV per Share, and, in normal market conditions, will seek to maintain the Share price within a 2 per cent. discount/premium band relative to the NAV per Share.

On 27 May 2020 the Company announced that due to the demand for the Ordinary Shares and the limited ability of the Company to continue to issue Ordinary Shares, the Board had agreed to amend the Company's premium control policy, to seek to limit the premium to NAV per Share at which the Ordinary Shares trade to no more than 4 per cent. through Share issuances, until such time as the Board's share issuance authorities were renewed and available for use.

Following the publication of this document, the Board intends to return to seeking to limit the premium to NAV per Share at which the Ordinary Shares trade to no more than 2 per cent. through Share issuance.

### **Investment outlook**

The Company aims to exploit long-term trends in the global economy to grow investors' real wealth. The Company invests typically in a portfolio of high quality companies worldwide, all with attractive market positions, strong balance sheets and sustainable pricing power. Since the appointment of Artemis Fund Managers Limited as the Company's investment manager on 1 May 2014, this approach has led to the Company returning 118.1 per cent. in NAV total return against 78.1 per cent. for the MSCI All Country World Index (GBP), the Company's comparator index, in the six years to 30 April 2020.

The Investment Manager analyses the long-term growth trends shaping the global economy. This focus on themes means the composition of the portfolio has little in common with the comparator index and thus the Company does not weight itself to a benchmark.

The Investment Manager complements their thematic analysis with fundamental, bottom-up research and intensive analysis of potential investee company accounts. The Investment Manager will only invest at a price which they believe to be an attractive price and, once an investment appears to have an inflated price in the market, they sell. Balancing the portfolio requires selling investments when their valuations become stretched and identifying more attractively priced opportunities. This inevitably leads to additional turnover, however, the costs of such turnover are kept as low as practicable.

The Investment Manager seeks to ensure that the themes in the portfolio are not overly correlated with one another. Holdings are diversified by industry and by region – and the influence of individual “macro” factors is monitored and controlled. On acquisition, no holding shall exceed 15 per cent. of the portfolio by value and as at 31 May 2020, the largest single investment accounted for 2.8 per cent. of the Company's total holdings by value.

Currently, the main themes in the portfolio are the growth in online services, healthcare costs, automation, low carbon world, scientific equipment, the growth in the emerging market consumer sector, screen time, fintech, and high quality assets.

These themes are expected to offer continued growth through the economic cycle, though in shorter time periods the Company may have a little exposure to other areas of the comparator index – especially more cyclical companies or those with low barriers to entry.

Global equity markets fell sharply in March 2020 as a result of the COVID-19 pandemic, however equity markets have experienced a rebound in the period to the publication of this Prospectus. It is likely that the damage done to the global economy is greater than appears to have been reflected in markets after this rebound. The Investment Manager believes that its combination of a balanced portfolio with longer-term growth prospects and investee companies with balance sheets strong enough to cope with testing conditions puts the Company's portfolio in a good position to seek superior investment returns for patient investors.

The Board believes that the composition of the Company's portfolio should provide a degree of protection for Shareholders in more testing economic times, while still generating capital and income growth and maximising total returns for Shareholders over the longer term.

## **Investment objectives and policy**

### *Investment objectives*

The Company's objective 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.

### *Investment policy*

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 per cent. of the portfolio. The Company will not invest more than 15 per cent. 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 NAV per Share declines in absolute terms and relative to the comparative index.

The Company may use borrowings to support its investment strategy. The Board has determined, and the Articles permit, that the Company may borrow up to 30 per cent. of its net assets. Gearing levels, and the extent of gearing, are discussed by the Board and Investment Manager on an ongoing basis.

Any material change in the Company's investment policy will require the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

### **Gearing and leverage**

The Company has entered into a multicurrency revolving credit facility with Scotiabank (Ireland) Limited which is available to the Company until 19 February 2021.

As at 26 June 2020, €5 million (£4.55 million) and US\$6 million (£4.87 million) was drawn down under this facility. Interest is charged on the Euro amount at variable rates equivalent to 1.05 per cent. over EURIBOR. The interest rate as at 26 June 2020 was 1.05 per cent. Interest is charged on the US dollar amount at variable rates equivalent to 1.05 per cent. over the US dollar LIBOR. The interest rate as at 26 June 2020 was 1.484630 per cent.

### **Share capital**

The Company's share capital comprises of only Ordinary Shares, all of which are listed on the premium segment of the Official List and admitted to trading on the Main Market. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

At the annual general meeting of the Company held on 12 November 2019, Shareholders granted the Board authority to allot Ordinary Shares with an aggregate nominal value of up to £698,574 (being 13,971,480 Ordinary Shares). In addition, the Board was granted authority to issue Ordinary Shares for cash up to an aggregate nominal value of £314,673 (being 6,293,460 Ordinary Shares)

on a non pre-emptive basis. This authority has now been exhausted. The Board intends to renew these authorities at the annual general meeting of the Company expected to be held in November 2020 to allow the Company to continue to issue Ordinary Shares following the expiry of this Prospectus on 28 June 2021.

Due to the demand for the Ordinary Shares, at a general meeting of the Company held on 17 June 2020, the Directors sought and were granted authority, in addition to all existing authorities, to allot up to:

1. 7,384,360 Ordinary Shares on a non pre-emptive basis for general purposes until the annual general meeting of the Company expected to be held in November 2020; and
2. 25,000,000 Ordinary Shares on a non pre-emptive basis to be issued under this Prospectus, such authority to expire on 30 June 2021 or, if earlier, on the date on which this Prospectus expires.

### **Dividend policy**

The Company does not have any formal policy to achieve any specified level of dividend. The Company aims to grow its dividend progressively over time, although this is subordinate to the primary aim of maximising total returns to Shareholders.



## PART 2

### DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION OF THE COMPANY

#### Directors

The Directors, each of whom is non-executive and independent of the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company. The Company operates with an experienced non-executive Board of Directors, providing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors are as follows:

**Mr Malcolm Scott** (*Chairman*): Malcolm Scott became a Director of the Company in 1990. He was educated at Trinity College, Glenalmond and thereafter at Gonville & Caius College, Cambridge and Glasgow University. He became an Advocate in 1978 and a QC in 1991.

**Mr Russell Napier**: Russell Napier became a Director of the Company in 2009. He worked for Baillie Gifford from 1989 and for Foreign & Colonial Emerging Markets from 1994. In 1995 he joined stockbrokers CLSA in Hong Kong as its Asian equity strategist. Since 1999 he has been a consultant global macro strategist advising institutional investors. He is the author of “Anatomy of a Bear – Lessons from Wall Street’s Four Great Bottoms” and has established and runs a course called “A Practical History of Financial Markets”. He is a director of the Didasko Education Company Limited and Orlock Advisors Limited. Mr Napier was previously a non-executive director of The Scottish Investment Trust PLC.

**Mr David Kidd**: David Kidd became a Director of the Company in 2016. He is a director of The Law Debenture Pension Trust Corporation PLC, which acts as independent trustee for over 200 pension schemes including many FTSE 100 companies. Mr Kidd has over 30 years investment management experience, having been chief investment officer of the Royal Bank of Scotland’s investment management arm, the charity specialists Chiswell Associates and the private bank Arbuthnot Latham. He is a non-executive director of The Baillie Gifford Japan Trust plc and a director of The Golden Charter Trust. Mr Kidd was previously a non-executive director of Martin Currie Global Portfolio Trust plc, Shires Income plc and The Salvation Army International Trustee Company.

**Mr Harry Morgan**: Harry Morgan became a Director of the Company in 2012. He is currently a portfolio manager and director of investment management at the Tilney Group. He has spent his career managing portfolios for private clients and charities, serving as head of investment management at Adam & Company and in senior roles at Newton Investment Management and Edinburgh Fund Managers. He has an MBA with Distinction from the Edinburgh Business School, and is a Fellow of the Chartered Institute for Securities & Investment. Mr Morgan was previously a non-executive director of the Association of Investment Companies.

**Mr Alan Scott**: Alan Scott became a Director of the Company in 2012. He has over 30 years’ experience in banking, and is currently Head of Banking Services at Adam & Company where he has been since 2004. Prior to that he held various positions within the Royal Bank of Scotland Group, including offshore with Adam & Company International and Royal Bank of Scotland International in Guernsey and onshore within the Corporate and Personal Banking divisions. He is a Member of the Chartered Banker Institute and holds Chartered Banker status.

**Mrs Diana Dyer Bartlett:** Diana Dyer Bartlett became a Director of the Company in 2020 and is Chair of the Audit Committee. After qualifying as a chartered accountant with Deloitte Haskins & Sells, Mrs Dyer Bartlett spent five years in investment banking with Hill Samuel Bank. Since then she has held a number of roles as finance director of various venture capital and private equity backed businesses and listed companies involved in software, financial services, renewable energy and coal mining. She was also company secretary of Tullett Prebon plc and Collins Stewart Tullett plc. Mrs Dyer Bartlett is currently a non-executive director and audit committee chairman of Smithson Investment Trust plc, SmartSpace Software plc and Rutherford Health plc.

The Company announced in its annual report for the year ended 30 June 2019 that Mr Malcolm Scott will not seek re-election at the next annual general meeting of the Company expected to be held in November 2020 and that Mr Napier will succeed him as Chairman of the Board.

### **Investment Manager**

The Company is managed by Artemis Fund Managers Limited. The Investment Manager has delegated responsibility for the day-to-day management of the Company's portfolio to Artemis Investment Management LLP. Both entities are authorised and regulated by the FCA and as at 31 May 2020 had £23.4 billion, in aggregate, of assets under management. The Investment Manager aims to outperform the market and produce long-term returns for their clients. This is done by focusing on absolute, as well as relative, returns.

#### *Key personnel*

The key personnel who have responsibility for the day-to-day management of the Company's portfolio are as follows:

**Mr S Edelsten:** Mr Edelsten joined Artemis Fund Managers Limited in 2011. After graduating from Trinity College, Oxford, he joined Phillips & Drew in 1985 and moved to Dresdner Kleinwort Benson in 1997 as head of European equity sales. From there he went to Taube Hodson Stonex (THS) in 2001 and, in a five-man team, Simon had joint responsibility for global equities.

**Mr A Illingworth:** Mr Illingworth joined Artemis Fund Managers Limited in 2011. After graduating from Durham University, Mr Illingworth began his career running global funds at Rothschild Asset Management. In 2003 he was appointed a director of global equity at Insight Investment, responsible for long-only, ethical and absolute return funds.

**Mrs R Burcheri:** Mrs Burcheri joined Artemis Fund Managers Limited in 2011. After graduating in economics from Bocconi University in 1996, she joined Paribas Asset Management as a junior fund manager. In 2000, she moved to M&G as a fund manager and director responsible for pan-European equity portfolios. As a senior European portfolio manager at Shell Pension Management Service from 2004, she controlled £710m of assets. Then, in 2006, Mrs Burcheri became a partner and pan-European fund manager for FrontPoint Management (UK).

### **Managerial, administration and custodian arrangements**

#### *Delegation of authority*

Whilst certain responsibilities are delegated, a schedule of matters specifically reserved for its decision has been adopted by the Board. The Company has delegated the management of the

Company's investments to the Investment Manager. Representatives of the Investment Manager and the Administrator attend each Board meeting enabling the Directors to discuss their activities in managing and administering the Company.

#### *Managerial arrangements*

Artemis Fund Managers Limited acts as the Company's investment manager. The Investment Manager is registered under the AIFM Directive as a full scope authorised UK AIFM and has acted as the Company's alternative investment fund manager since 1 May 2014 under the terms of the Investment Management Agreement. The Investment Manager has delegated portfolio management services to Artemis Investment Management LLP.

The Investment Management Agreement may be terminated by either party on six months' notice or on shorter notice in certain circumstances. The annual management fee which is payable to the Investment Manager in accordance with the Investment Management Agreement is based on the net assets of the Company attributable to Shareholders. The fee payable to the Investment Manager is 0.5 per cent. per annum on the amount of the Net Asset Value of the Company. Management fees are calculated monthly and paid on a quarterly basis.

Further details of the terms of the Investment Management Agreement are set out in paragraph 9.1 of Part 6 of this document.

#### *Secretarial and administration arrangements*

Secretarial services are provided by the Investment Manager and administration services are provided by J.P. Morgan Europe Limited. The costs of these services are paid by the Investment Manager.

Further details of the terms of the Administration Agreement are set out in paragraph 9.2 of Part 6 of this document.

#### *Depositary arrangements*

J.P. Morgan Europe Limited has also been appointed as the Company's Depositary. The primary function of the depositary is oversight of the Company's activities. Amongst other things, the depositary monitors cash flows, verifies ownership of the investments that the Company holds and ensures that accurate records are kept in relation to these various functions. The Depositary is also responsible for the safe keeping of the Company's assets. The Depositary has delegated this activity to the Custodian, JPMorgan Chase Bank, N.A. The Depositary has arranged for the Custodian (and sub-custodians as necessary) to hold the Company's financial instruments and settle (directly or through sub-custodians) all transactions relating to those financial instruments on behalf of the Company. The annual fee payable to the Depositary is 0.0125 per cent. per annum of net assets (plus applicable VAT). The Custodian receives fees for the provision of custodian services at such rates as may be agreed from time to time (plus applicable VAT).

Further details of the terms of the Depositary Agreement are set out in paragraph 9.3 of Part 6 of this document.

## **Auditor**

The Company announced on 28 January 2020 that its auditor, Scott-Moncrieff, had resigned from its office as statutory auditor with immediate effect. This followed the decision by Scott-Moncrieff to cease providing audit services to Public Interest Entities, such as the Company. Scott-Moncrieff confirmed that there were no circumstances in connection to their ceasing to hold office that needed to be brought to the attention of the members or creditors of the Company.

Following the conclusion of a formal competitive tender process, the Company announced on 25 March 2020 that the Board had appointed Johnston Carmichael LLP as its external auditor with effect from 25 March 2020. Johnston Carmichael LLP will conduct the audit of the Company's financial statements for the financial year ending 30 June 2020. The appointment of Johnston Carmichael LLP is subject to approval by shareholders at the next annual general meeting of the Company expected to be held in November 2020.

## **Annual expenses**

The Company incurs, and will continue to incur, administrative expenses, including, *inter alia*, Investment Manager's fees, audit fees, Directors' fees, custodian fees, stock exchange fees, directors' and officers' liability insurance premiums and printing costs.

It is estimated that the total expenses of the Company for the financial year ending 30 June 2020 will be approximately £1,693,370 (excluding finance costs, performance fees and taxation), being 0.68 per cent. of the average Shareholders' funds over that period.

## **Corporate governance**

The Chairman and each of the Directors are independent of the Investment Manager and each of the Directors is non-executive. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibilities for investment management have been delegated to the Investment Manager. There is, therefore, no chief executive officer. Mr Napier was appointed Senior Independent Director in 2016. Upon Mr Napier's appointment as Chairman at the Company's annual general meeting expected to be held in November 2020, Harry Morgan will be appointed Senior Independent Director.

The Board is committed to achieving and demonstrating high standards of corporate governance. The Board therefore places considerable emphasis on running the Company in a way it believes is best suited to the successful management of an investment trust on behalf of its Shareholders. In doing so, the Board has considered the principles and recommendations of the AIC Code. The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Company complied in its most recent financial year, and continues to comply, with the recommendations of the AIC Code and the relevant applicable provisions of the UK Code, except as disclosed below.

### *The Board*

Directors do not serve on the Board for a specified period of time. Each Director will be subject to the election/re-election provisions as set out in the Articles, which provide that a Director appointed

during the year is required to retire and seek election by shareholders at the first annual general meeting following their appointment. Thereafter, Directors are required to submit themselves for re-election annually. Providing that the Nomination Committee and the Board remain satisfied that the relevant Director's continuing appointment and independence is not impaired by length of service, the Board does not consider that there should be a set limit on their length of service. The Board does not consider that the length of time served by a Director is as important as their contribution to the running of the Company, or that it necessarily impairs their independence. Each situation will be rigorously reviewed on a case-by-case basis to ensure that a Director's independence is maintained and that their continuing appointment is in the best interests of the Company.

The Board is not controlled by long serving Directors. Following a formal performance evaluation the Board has concluded that all Directors continue to demonstrate independence of character and judgment and their skills and experience enhance the collective strength of the Board. The Board believes that none of the other commitments of the Directors interfere with the discharge of their duties to the Company and the Board is satisfied that they are each capable of devoting sufficient time to the Company.

The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. The Board conducts an annual review of its performance and that of its committees, the Chairman and individual Directors.

#### *Audit committee*

The audit committee consists of all of the Directors save for Mr Malcolm Scott, who is Chairman of the Board, and it meets at least twice per year. The audit committee is chaired by Mrs Dyer Bartlett who is a qualified chartered accountant. The main responsibilities of the audit committee include reviewing the Company's financial statements, accounting policies and significant financial reporting judgments, monitoring the integrity of the Company's financial statements, reviewing the internal control systems and the risks to which the Company is exposed including the Company's risk management systems which allow the Company to identify, measure, manage and monitor all risks on a continuous basis. It is also responsible for making recommendations to the Board regarding the appointment and independence of the external auditors, the objectivity and effectiveness of the audit process, monitoring the non-audit services provided to the Company by its Auditors and approving the financial statements and confirming to the Board that they are fair, balanced and understandable. The audit committee also provides a forum through which the Auditors report to the Board. Representatives from the Investment Manager and the Administrator may be invited to attend the meetings of the audit committee to report on issues as required.

#### *Management engagement committee*

As all the Directors are independent of the Investment Manager, there is no requirement to establish a separate management engagement committee. The Board as a whole reviews the terms of appointment and performance of the Company's third party service providers, including the Investment Manager but excluding the Auditor, who is reviewed by the Audit Committee.

#### *Nomination committee*

The nomination committee, chaired by the Chairman of the Board and comprising the whole Board, meets at least annually. It is responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, for identifying and nominating to the Board new

Directors and for proposing that existing Directors be re-elected. The nomination committee undertakes an annual performance evaluation of the Board, led by the Chairman. On those occasions when the nomination committee is reviewing the Chairman, or considering his successor, the nomination committee will normally be chaired by the Senior Independent Director.

#### *Remuneration committee*

As all the Directors are non-executive there is no requirement for a separate remuneration committee. Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Remuneration Policy approved by Shareholders.

#### **Conflicts of interest**

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The Investment Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.

Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their respective clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company. In addition, the Investment Manager reports quarterly to the Board on compliance with the terms of its delegated authorities under the Investment Management Agreement and other restrictions determined by the Board.

The Administrator also reports, on a quarterly basis, any breaches of law and regulation and any operational errors. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures.

In November 2018 Russell Napier began the supply of investment research to the Investment Manager and its peers, having been given Board confirmation there was no conflict of interest. The supply of services is monitored by the Board as a potential conflict.

#### **Reports to Shareholders and net asset values**

The annual financial report of the Company is made up to 30 June in each year. The Company's annual financial report is prepared under UK GAAP in accordance with FRS 102. Copies of the annual report and accounts are sent to Shareholders in September of each year and annual general meetings of the Company are held in November of each year. Shareholders also receive an unaudited interim report covering the first six months of each financial year of the Company.

The NAV per Share is calculated by the Administrator on behalf of the Company in accordance with the Company's accounting policies and is published daily through a Regulatory Information Service. The calculation of the NAV per Share will only be suspended in circumstances where the

underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

The Company's website (midwynd.com) provides Share price, regulatory announcements and documents relating to the Company together with other helpful information on the Company for investors and prospective investors. Information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

## **Taxation**

The Company has been approved by HMRC as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Tax Act and the Company will be exempt from UK taxation on its capital gains in its portfolio. The Company will, however, be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available.

A guide to the general UK taxation position as at the date of this document is set out in Part 5 of this document.

**If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.**

## PART 3

### DETAILS OF THE SHARE ISSUANCE PROGRAMME

#### General

New Shares will be issued under this Prospectus from time to time pursuant to the Share Issuance Programme for the purpose of seeking to control the premium to the NAV per Share at which the Ordinary Shares trade (the "**Issues**" and each separate issue an "**Issue**"). New Shares will be issued under this Prospectus:

1. at a premium to the prevailing NAV per Share (which shall include a premium to cover commissions and expenses associated with the relevant Issue);
2. to meet demand from investors; and
3. when the Directors believe that it is in the best interests of the Company and Shareholders to do so.

New Shares may be issued pursuant to the Issues only during the period commencing at 8.00 a.m. on 30 June 2020 and ending at 5.00 p.m. on 28 June 2021. However, the Board intends to continue to seek to control the premium at which the Ordinary Shares trade relative to the NAV per Share in accordance with the Board's policy following the expiry of this period and therefore, the Company may publish further prospectuses as and when required under the Prospectus Regulation Rules and seek to refresh the relevant Shareholder authorities.

The Company will be permitted to issue up to 25 million New Shares in aggregate pursuant to the Issues. Each Issue will be conditional upon Admission of the relevant New Shares to the premium segment of the Official List and to trading on the Main Market becoming effective. The Issues will not be underwritten.

The Share Issuance Programme enables the Company to issue New Shares to satisfy demand from investors at times when the Ordinary Shares are trading at a premium to the NAV per Share. The Directors intend to apply the net proceeds of any Issue in accordance with the Company's investment policy.

The New Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the relevant Issue).

The Directors believe that the typical investors for whom an investment in the Company is appropriate are professionally advised private investors, institutional investors or those individuals who are prepared to tolerate a degree of risk or potential for loss, investing for capital growth from investments.

In the event that the maximum number of New Shares (being 25 million New Shares) is issued under the Share Issuance Programme, the existing Ordinary Shares as at 26 June 2020 would represent 66.8 per cent. of the enlarged issued share capital. The New Shares will normally be issued to or through brokers on behalf of the Company to meet demand from investors in the secondary market.



## **Issue Price**

New Shares will only be issued within the parameters of the Board's discount and premium control policy. The Issue Price will be determined by the Board at the time of each Issue. New Shares will be issued at a level of premium to the NAV per Share (which shall include a premium expected to cover the fixed and variable costs of operating the Board's discount and premium control policy and the costs of investing the proceeds of the Share Issuance Programme) such that, disregarding the Documentation Costs, no Issue is expected to be dilutive to the NAV per Share. No expenses or tax in connection with any Issue will be charged directly to the investor.

For the purposes of determining the Issue Price for each Issue, the NAV per Share will be calculated in accordance with the Company's normal accounting policies. The Issue Price of each Issue will be announced through a Regulatory Information Service as soon as practicable following each Issue.

## **Listing and dealing**

Issues will be made only in the circumstances described in the paragraph headed "General" above. Where Issues are made it is expected that the relevant New Shares will be admitted to the premium segment of the Official List and to trading on the Main Market not later than two business days following the Board's resolution to allot those New Shares. No dealings in the relevant New Shares will commence before the relevant date of Admission.

New Shares issued pursuant to the Issues will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of New Shares will, where requested, be despatched by post within two days following the issue of the relevant New Shares. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register. Dealings in New Shares are expected to commence at the earliest at 8.00 a.m. on 30 June 2020 and no later than 5.00 p.m. on 28 June 2021. An Issue cannot be revoked after dealings in the relevant New Shares have commenced. The ISIN for the Ordinary Shares is GB00B6VTTK07.

## **Costs of the Issues**

The Documentation Costs, which have been or will be borne by the Company, are approximately £96,800. The immediate dilution in the NAV per Share arising from the Documentation Costs (on the assumption that no New Shares are issued pursuant to the Share Issuance Programme and based on the NAV per Share as at 26 June 2020) is approximately 0.03 per cent.

It is intended that a proportion of the Documentation Costs will be recovered through the Issue Price on each Issue although the recovery of all or any part of the Documentation Costs cannot be guaranteed.

## PART 4

### FINANCIAL INFORMATION (INCLUDING PORTFOLIO INFORMATION)

#### 1. Introduction

The statutory accounts of the Company for the financial year ended 30 June 2019 were audited by Scott-Moncrieff whose reports were unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act.

The statutory accounts for the year ended 30 June 2019 were prepared under UK GAAP in accordance with FRS 102. The interim report for the six month period ended 31 December 2019 was prepared under UK GAAP in accordance with FRS 104.

Copies of the statutory accounts for the year ended 30 June 2019 and the interim report of the Company for the six month period ended 31 December 2019 are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company, 6th Floor Exchange Plaza, 50 Lothian Road, Edinburgh, Scotland, EH3 9BY until 29 June 2021 and on the Company's website at [midwynd.com](http://midwynd.com).

#### 2. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published audited annual report and accounts of the Company for the financial year ended 30 June 2019 and the interim report of the Company for the six month period ended 31 December 2019 as set out in the table below and is expressly incorporated by reference into this document. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this document.

	<i>Annual report and accounts for the year ended 30 June 2019</i>	<i>Interim report for the six month period ended 31 December 2019</i>
<b>Nature of Information</b>	<i>Page No.</i>	<i>Page No.</i>
Financial Highlights	2	2
Chairman's Statement	4-5	3-4
Investment Manager's Review	6-8	5-7
Investments	9-10	8-10
Independent Auditor's Report	28-31	-
Statement of Comprehensive Income	32	13
Statement of Financial Position	33	14
Statement of Changes in Equity	34	15
Statement of Cash Flows	35	16
Notes to the Financial Statements	36-48	17-19

#### 3. Selected financial information

The information regarding the Company in this paragraph 3 has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 of this Part 4. Selected historical financial information relating to the Company which summarises the

financial condition of the Company for the two financial periods ended 30 June 2019 and 31 December 2019 is set out in the following table:

	<i>Year ended 30 June 2019</i>	<i>6 months ended 31 December 2019</i>
<b>Net asset value</b>		
Number of Ordinary Shares in issue	40,871,416	45,141,416
Net assets (£'000)	226,084	262,318
Net asset value per Ordinary Share (p)	553.16	581.10
<b>Ordinary Share price (p)</b>	<b>568.00</b>	<b>602.00</b>
<b>Income</b>		
Total investment income before operating expenses (£'000)	3,592	2,072
Net return attributable to equity shareholders (£'000)	3,063	1,737
Performance fee (accrued/paid) (£'000)	n/a	n/a
Investment Manager's fee charged to revenue (accrued/paid) (£'000)	248	158
Any other material fees (accrued/paid) to service providers (£'000)	281	177
Revenue return per Ordinary Share (p)	6.79	3.49
Dividend per Ordinary Share (p)	5.83	3.00
<b>Ongoing charges</b>		
As a percentage of average total Shareholders' funds	0.7%	n/a
<b>Portfolio summary</b>		
Shareholders' funds (£'000)	226,084	262,318

#### **4. Operating and financial review**

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Manager's Review" and "Investments" in the published annual report and accounts and the interim report of the Company as follows:

	<i>Annual report and accounts for the year ended 30 June 2019</i>	<i>Interim report for the six month period ended 31 December 2019</i>
<b>Nature of Information</b>	<i>Page No.</i>	<i>Page No.</i>
Chairman's Statement	4-5	3-4
Investment Manager's Review	6-8	5-7
Investments	9-10	8-10

#### **5. Significant change**

Since 31 December 2019 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial

position of the Company.

## 6. Net proceeds and expenses of the Issues

Assuming that the maximum number of New Shares available for issue under this document are issued at an Issue Price of 603.79 pence per Share (being the NAV per Share calculated as at close of business on 26 June 2020), approximately £150,947,500 in aggregate would be raised under the Issues. On these assumptions the total costs and expenses of and incidental to the Issues to be borne by the Company, being £329,294, would represent 0.22 per cent. of the total proceeds of the Issues. The premium to the NAV per Share at which New Shares will be issued will be determined by the Board at their discretion at the time of Issue.

Assuming £150,947,500 is raised by way of a single Issue, the net proceeds available for investment by the Company will be approximately £150,618,206 and these net proceeds will be invested in accordance with the Company's investment policy.

## 7. Capitalisation and indebtedness

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 26 June 2020.

	26 June 2020 (£'000)
<b>Total current debt</b>	
– Guaranteed	-
– Secured	-
– Unguaranteed/unsecured	(9,418)
<b>Total non-current debt</b>	
– Guaranteed	-
– Secured	-
– Unguaranteed/unsecured	-
<b>Shareholders' equity</b>	
– Share capital	2,512
– Legal reserves (excl. revenue reserves)	297,627
– Other reserves	3,776
<b>Total</b>	<b>294,497</b>

The information in the table above is unaudited financial information extracted from internal management accounting records as at 26 June 2020.

The following table shows the Company's net indebtedness as at 26 June 2020. The information in the following table is unaudited financial information extracted from internal management accounting records as at 26 June 2020.

	£'000
A. Cash	4,798
B. Cash equivalent	-
C. Trading securities	-
<b>D. Liquidity (A+B+C)</b>	<b>4,798</b>

E.	Current financial receivable	-
F.	Current bank debt	(9,418)
G.	Current portion of non-current debt	-
H.	Other current financial debt	-
I.	<b>Current financial debt (F+G+H)</b>	<b>(9,418)</b>
J.	<b>Net current financial indebtedness (I-E-D)</b>	<b>(4,620)</b>
K.	Non-current bank loans	-
L.	Bonds issued	-
M.	Other non-current loans	-
N.	<b>Non-current financial indebtedness (K+L+M)</b>	<b>-</b>
O.	<b>Net financial indebtedness (J+N)</b>	<b>(4,620)</b>

## 8. Working capital

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this document).

## 9. Net Asset Value

The unaudited NAV per Share as at 26 June 2020 was 603.79 pence including current income.

## 10. Analysis of investment portfolio

As at close of business on 30 May 2020, the Company's portfolio comprised investments with an aggregate unaudited value, calculated in accordance with the Company's accounting policies, of approximately £297,731,000.

The Company's portfolio was 100 per cent. invested in listed equities as at 30 May 2020.

<b>By investment theme</b>	<b>Valuation (£'000s)</b>	<b>% of total assets</b>
Online services	62,148	21.2
Automation	39,079	13.3
Healthcare costs	35,987	12.3
Screen time	31,729	10.8
Emerging market consumer	29,450	10.0
Scientific equipment	27,510	9.4
Low carbon world	25,665	8.8
Fintech	22,014	7.5
Tourism	12,354	4.2
High quality assets	11,795	4.0

The Company's investment portfolio consisted of the following investments as at 30 May 2020.

<b>Investment</b>	<b>Region</b>	<b>Industry</b>	<b>Theme</b>	<b>Market value £'000</b>	<b>% of total net assets</b>
<b>Equities</b>					
Amazon	North America	Consumer Discretionary	Online Services	8,335	2.8
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	7,284	2.5

Microsoft	North America	Information Technology	Online Services	6,630	2.3
Roche Holding	Europe	Health Care	Healthcare Costs	6,512	2.2
Vodafone Group	UK	Communication Services	Screen Time	6,451	2.2
Norfolk Southern Railway	North America	Industrials	Low Carbon World	6,432	2.2
Alphabet	North America	Communication Services	Online Services	6,425	2.2
Booking Holdings	North America	Consumer Discretionary	Tourism	6,411	2.2
Equinix	North America	Real Estate	Online Services	6,102	2.1
Merck & Co	North America	Health Care	Healthcare Costs	5,955	2.0
<b>Top 10 equity investments</b>				<b>66,537</b>	<b>22.7</b>
Amadeus IT Group	Europe	Information Technology	Tourism	5,943	2.0
Walt Disney	North America	Communication Services	Screen Time	5,815	2.0
Becton Dickinson and Company	North America	Health Care	Healthcare Costs	5,734	2.0
Fresenius Medical Care	Europe	Health Care	Healthcare Costs	5,734	2.0
Synopsys	North America	Information Technology	Automation	5,705	1.9
Accenture	Europe	Information Technology	Online Services	5,622	1.9
Charles Schwab Corp	North America	Financials	Online Services	5,426	1.9
Cadence Design Systems	North America	Information Technology	Automation	5,369	1.8
MasterCard	North America	Information Technology	Fintech	5,338	1.8
Keyence	Japan	Information Technology	Automation	5,221	1.8
<b>Top 20 equity investments</b>				<b>122,445</b>	<b>41.8</b>
L'Oreal	Europe	Consumer Staples	Emerging Market Consumer	5,149	1.8
LVMH	Europe	Consumer Discretionary	Emerging Market Consumer	5,146	1.8
PerkinElmer	North America	Health Care	Scientific Equipment	4,912	1.7
Daifuku	Japan	Industrials	Automation	4,851	1.7
Illumina	North America	Health Care	Scientific Equipment	4,769	1.6
Fidelity National Information Services	North America	Information Technology	Fintech	4,726	1.6
China Life Insurance	Emerging	Financials	Emerging Market Consumer	4,641	1.6

Sanofi	Europe	Health Care	Healthcare Costs	4,611	1.6
Omron	Japan	Information Technology	Automation	4,604	1.6
Hoya	Japan	Health Care	Online Services	4,523	1.6
<b>Top 30 equity investments</b>				<b>170,376</b>	<b>58.1</b>
Visa	North America	Information Technology	Fintech	4,478	1.5
Agilent Technologies	North America	Health Care	Scientific Equipment	4,434	1.5
Fiserv	North America	Information Technology	Fintech	4,402	1.5
Paypal Holdings	North America	Information Technology	Online Services	4,212	1.4
TSMC	Emerging	Information Technology	Automation	4,173	1.4
Unitedhealth Group	North America	Health Care	Healthcare Costs	4,088	1.4
JD.com*	Emerging	Consumer Discretionary	Online Services	3,953	1.4
SIG Combibloc Group	Europe	Materials	Low Carbon World	3,910	1.3
Reckitt Benckiser Group	UK	Consumer Staples	Emerging Market	3,831	1.3
Avery Dennison	North America	Materials	Consumer Emerging Market	3,689	1.3
<b>Top 40 equity investments</b>				<b>211,545</b>	<b>72.1</b>
Servicenow	North America	Information Technology	Screen Time	3,618	1.2
Union Pacific	North America	Industrials	Low Carbon World	3,585	1.2
Kao	Japan	Consumer Staples	Emerging Market	3,563	1.2
Tencent Holdings	Emerging	Communication Services	Consumer Screen Time	3,553	1.2
Elastic N.V	North America	Information Technology	Online Services	3,529	1.2
Newmont Mining Corporation	North America	Materials	High Quality Assets	3,469	1.2
myHermes International	Europe	Consumer Discretionary	Emerging Market	3,431	1.2
Adobe Systems Inc	North America	Information Technology	Consumer Online Services	3,358	1.1
Novartis	Europe	Health Care	Healthcare Costs	3,353	1.2
Barrick Gold Corp	North America	Materials	High Quality Assets	3,348	1.1
<b>Top 50 equity investments</b>				<b>246,353</b>	<b>84.0</b>
Harmonic Drive Systems	Japan	Industrials	Automation	3,330	1.1
National Grid	UK	Utilities	Low Carbon World	3,292	1.1

Daikin Industries	Japan	Industrials	Low Carbon World	3,191	1.1
USHIO	Developed Asia	Industrials	Scientific Equipment	3,073	1.1
S&P Global	North America	Financials	Fintech	3,071	1.1
Sysmex	Japan	Health Care	Scientific Equipment	3,037	1.0
Samsung Electronics	Emerging	Information Technology	Automation	3,027	1.0
Orsted	Europe	Utilities	Low Carbon World	2,972	1.0
Comcast	North America	Communication Services	Screen Time	2,908	1.0
Ascendas REIT	Developed Asia	Real Estate	High Quality Assets	2,871	1.0
<b>Top 60 equity investments</b>				<b>277,125</b>	<b>94.5</b>
Toyota Industries	Japan	Consumer Discretionary	Automation	2,801	1.0
Activision Blizzard	North America	Communication Services	Screen Time	2,659	0.9
Alibaba Group*	Emerging	Consumer Discretionary	Online Services	2,575	0.9
China Tower	Emerging	Communication Services	Screen Time	2,519	0.9
Verallia	Europe	Materials	Low Carbon World	2,283	0.8
LG Uplus	Emerging	Communication Services	Screen Time	2,158	0.7
Saracen Mineral Holdings	Developed Asia	Materials	High Quality Assets	2,106	0.7
TeamViewer	Europe	Information Technology	Screen Time	2,047	0.7
CIE Financiere Richemont	North America	Information Technology	Online Services	1,458	0.5
<b>Total equity investments (69)</b>				<b>297,731</b>	<b>101.5</b>
Net current assets (excluding bank loans)				5,151	1.8
Bank loan				(9,352)	-3.3
<b>Total net assets</b>				<b>293,530</b>	<b>100.0</b>

\* ADR – American Depositary Receipt

The information in this paragraph 10 is unaudited information on the Company, which has been extracted from internal management accounting records held by the Company and has not been reported on by an accountant.

There has been no significant change in the holdings that make up the Company's portfolio from 30 May 2020 to the date of this document.



## **PART 5**

### **TAXATION**

The information contained in this document relating to taxation is a summary of the taxation matters which the Directors consider should be brought to the attention of prospective investors. The following statements are intended as a general guide only and do not constitute legal or tax advice to any Shareholder or prospective Shareholder or investor. They are based upon the United Kingdom law and HMRC practice in force as at the date of this document and relate only to the position of Shareholders who are beneficial owners of their Ordinary Shares. They may not relate to certain categories of Shareholders, such as dealers in securities. Prospective investors should consult their own professional advisers on the potential tax consequences of acquiring, holding or selling Ordinary Shares in the Company.

#### **1. The Company**

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under section 1158 of the Tax Act. The Company has been approved as an investment trust pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011, which came into force on 1 January 2012, and have applied to the Company from its accounting period beginning 1 July 2012. The Company will therefore continue to have investment trust status in each accounting period going forward and will be exempt from United Kingdom taxation on its capital gains, other than to the extent that the Company commits a serious breach of one or more of the conditions for qualification as an investment trust. In order to maintain its investment trust status for an accounting period, the Company must not, inter alia, be a close company at any time in that accounting period. The Directors do not anticipate that the Company will be a close company.

The Company will, however, be liable to UK corporation tax on its income profits in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available on income that is also subject to UK tax.

#### **2. Shareholders**

##### **2.1 *Taxation of capital gains***

Individual Shareholders resident in the UK for taxation purposes may, depending upon their personal circumstances, be liable to UK capital gains tax or, in the case of corporations, UK corporation tax, on chargeable gains arising from the sale or other disposal (which includes disposal upon a winding up) of their Ordinary Shares. A disposal by an individual Shareholder, resident in the UK for taxation purposes, of their Ordinary Shares is subject to capital gains tax at a rate of tax of 20 per cent. where the individual pays income tax at the higher or additional rates of tax; otherwise a tax rate of 10 per cent. applies. An individual may be able to claim certain reliefs (including the annual exemption in respect of the first £12,300 of capital gains received in the fiscal year 2020/21). Until 31 December 2017 Shareholders which were corporations resident in the UK benefited from an indexation allowance which, in general terms, increased the tax base cost of an asset in accordance with changes in the RPI. However, legislation introduced in Finance Act 2018 removed indexation allowance such that for disposals on

or after 1 January 2018 the indexation allowance will only be calculated up to 31 December 2017, irrespective of the date of disposal. Indexation allowance may not create or increase an allowable loss.

Shareholders who are not resident in the UK for taxation purposes will not normally be liable to capital gains tax in the UK arising from the sale or other disposal of their Ordinary Shares unless (in the case of a corporate shareholder) those Ordinary Shares are held through a UK branch or agency, although they may be subject to foreign taxation depending upon their personal circumstances.

## **2.2**      *Taxation of dividends*

The Company has to date not elected into the streaming regime in relation to dividends paid by the Company and therefore no part of any dividend received is expected to be treated as interest.

Individual Shareholders resident in the UK for taxation purposes are entitled to an annual tax-free dividend allowance (£2,000 for the fiscal year 2020/21). Dividends received in excess of this allowance will be taxed, for the fiscal year 2020/21 at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers). Dividends received by pensions and ISAs are not taxable.

In general, UK resident corporate Shareholders (other than dealers and certain insurance companies) are not liable to UK corporation tax or UK income tax in respect of dividends, except in certain circumstances.

Non-UK resident Shareholders may be subject to tax on dividend income under any law to which they are subject outside the UK. Under current legislation, no withholding tax will be deducted from any dividends paid by the Company.

## **3.      Stamp duty and stamp duty reserve tax**

In relation to UK stamp duty and SDRT:

- (i)      The allocation, allotment and issue of the New Shares will not give rise to a liability to stamp duty or SDRT.
- (ii)      Any subsequent conveyance or transfer on sale of Ordinary Shares in certificated form will usually be subject to stamp duty on the instrument of transfer at a rate of 0.5 per cent. of the amount or value of the consideration (the amount payable being rounded up, if necessary, to the nearest multiple of £5). An exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.
- (iii)      A transfer of Ordinary Shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the shares) will generally be subject to SDRT (rather than stamp duty) at the rate of 0.5 per cent. (the amount payable being rounded up

to the nearest penny) of the value of the consideration given.

Special rules apply where shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depository receipts within section 67 or section 93 of the Finance Act 1986 or a person providing a clearance service within section 70 or section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at the higher rate of 1.5 per cent. of the value of the consideration given or, in some cases, the value of the shares. Following litigation, however, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on the issue of shares into a clearance service or depository receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will, however, continue to apply to transfers of shares into a clearance service or depository receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation.

#### **4. ISAs**

New Shares will qualify for the purposes of an ISA, provided that they are acquired by an ISA manager in the market. Ordinary Shares subscribed for directly pursuant to an Issue will not qualify for an ISA. Direct transfers to an ISA will render New Shares ineligible for ISAs.

For the 2020/21 tax year ISAs have an overall subscription limit of £20,000, all of which can be invested in stocks and shares, for which New Shares will qualify.

#### **5. SIPPs and SSASs**

Ordinary Shares will be permitted investments for SIPPs and SSASs.

## PART 6

### GENERAL INFORMATION

#### 1. Incorporation and general

- 1.1 The Company was incorporated and registered in Scotland on 4 October 1965 as a public company limited by shares under the Companies Act 1948 with registered number SC042651. The Ordinary Shares in the Company were first admitted to listing in 1981. The Company operates under the Companies Act and regulations made under the Companies Act. Its registered office is at 6th Floor Exchange Plaza, 50 Lothian Road, Edinburgh, Scotland, EH3 9BY. The Company's website is at midwynd.com. Information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus. Save for its compliance with the Companies Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Regulation Rules, the Company is not a regulated entity.
- 1.2 In accordance with the Companies Act, the objects of the Company are unrestricted.
- 1.3 The Investment Manager is a company incorporated in England and Wales under the Companies Act 1985 on 11 February 1986 with registered number 01988106. The Investment Manager's registered office is at Cassini House, 57-59 St. James's Street, London SW1A 1LD (telephone number: 0800 092 2051). The Investment Manager is authorised and regulated by the FCA with firm reference number 122448 and has significant experience of providing investment management services.
- 1.4 J.P. Morgan Europe Limited acts as administrator and depositary to the Company. The Administrator is a company incorporated in England and Wales on 18 September 1968 with registered number 00938937. The Administrator's registered office is at 25 Bank Street, Canary Wharf, London E14 5JP. The Administrator is authorised by the PRA and regulated by the FCA and PRA with firm reference number 124579.
- 1.5 JPMorgan Chase Bank, N.A. acts as custodian to the Company. The Custodian is responsible for the safe keeping of the Company's assets. The Custodian is a national association established under the laws of the United States. The Custodian's registered place of business in the UK is 25 Bank Street, Canary Wharf, London E14 5JP. The Custodian is authorised by the PRA and regulated by the FCA and PRA with firm reference number 124491.

#### 2. Share capital

- 2.1 The issued share capital of the Company (all of which issued Ordinary Shares are fully paid-up) as at the date of this document and immediately following Admission (assuming the maximum number of New Shares are issued) will be as follows:

	<i>No. of Ordinary Shares</i>	<i>Nominal value per Ordinary Share</i>
As at 26 June 2020	50,234,114	5 pence
Immediately following Admission of all New Shares	75,234,114	5 pence

As at the date of this document no Ordinary Shares are held by the Company in treasury. The Company has no authorised share capital.

2.2 The following changes have occurred in the share capital of the Company between 1 July 2018 and 31 December 2019.

2.2.1 in the financial year from 1 July 2018 to 30 June 2019 the Company issued 3,660,000 Ordinary Shares pursuant to the Share Issuance Programme for an aggregate consideration of £18,859,000; and

2.2.2 in the six months from 1 August 2019 to 31 December 2019 the Company issued 4,270,000 Ordinary Shares pursuant to the Share Issuance Programme for an aggregate consideration of £24,561,000.

As at 1 July 2018, the Company had 40,871,416 Ordinary Shares in issue and, as at 31 December 2019, the Company had 45,141,416 Ordinary Shares in issue. Since 1 January 2020 the Company has issued a further 5,190,000 Ordinary Shares (including 97,302 Ordinary Shares from treasury).

2.3 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

2.4 At a general meeting of the Company held on 17 June 2020, the Directors were authorised as follows:

2.4.1 generally and unconditionally, pursuant to section 551 of the Companies Act, to allot Ordinary Shares and to grant rights to subscribe for or to convert any securities into Ordinary Shares up to an aggregate nominal amount of £369,218 (such authority to expire at the conclusion of the Company's next annual general meeting);

2.4.2 generally and unconditionally, pursuant to section 551 of the Companies Act, to allot Ordinary Shares and to grant rights to subscribe for or to convert any securities into Ordinary Shares up to an aggregate nominal amount of £1,250,000 (such authority to expire on the date falling 12 months after publication by the Company of this Prospectus or, if earlier, on 30 June 2021);

2.4.3 pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560 of the Companies Act), including the grant of rights to subscribe for, or to convert any securities into, Ordinary Shares, for cash either (i) pursuant to the authority noted in paragraph 2.4.1 above; or (ii) by way of sale of those Ordinary Shares held by the Company in treasury, as if sub-section 561(1) of the Companies Act did not apply to any such allotment of equity securities, provided that such authority will expire on the date falling 12 months after publication by the Company of this Prospectus or, if earlier, on 30 June 2021 and is limited to the allotment of equity securities up to an aggregate nominal amount of £369,218; and

2.4.4 pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560 of the Companies Act), including the grant of rights to

subscribe for, or to convert any securities into, Ordinary Shares, for cash either (i) pursuant to the authority noted in paragraph 2.4.2 above; or (ii) by way of sale of those Ordinary Shares held by the Company in treasury, as if sub-section 561(1) of the Companies Act did not apply to any such allotment of equity securities, provided that such authority will expire at the conclusion of the next annual general meeting of the Company and is limited to the allotment of equity securities up to an aggregate nominal amount of £2,500,000.

- 2.5 The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraphs 2.4.3 and 2.4.4 above gives the Company the flexibility to allot and issue Ordinary Shares or resell any Ordinary Shares which it holds in treasury for cash without first being required to offer such Ordinary Shares to existing Shareholders in proportion to their existing holdings.
- 2.6 The provisions of section 561 of the Companies Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the unissued capital of the Company except as referred to in paragraphs 2.4.3 and 2.4.4 above.
- 2.7 The Company has authority to buyback up to 6,289,266 Ordinary Shares in the market. As at 26 June 2020 the Company had purchased 97,302 Ordinary Shares pursuant to this authority.

### **3. Articles**

The Ordinary Shares (which at the date of this document are the only class of share in issue of the Company) have attached thereto the respective rights and privileges and are subject to the respective limitations and restrictions set out in this paragraph 3. The Articles contain provisions, *inter alia*, to the following effect:

#### **3.1 Dividends**

Subject to the provisions of the Companies Act, the Company may, by ordinary resolution, declare dividends but no such dividend shall exceed the amount recommended by the Directors. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of share carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Any dividend unclaimed for a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

In the event that a direction notice (as detailed in paragraph 3.2.2 below) has been served, and the person holding the restricted Ordinary Shares holds at least 0.25 per cent. in number or nominal value of the Ordinary Shares in the Company, the Board may withhold the payment of all or part of any dividend (including shares issued in lieu of dividends) due on those restricted Ordinary Shares.

## 3.2 *Voting*

### 3.2.1 *General voting rights*

The holder of an Ordinary Share shall be entitled to receive notice of, and to attend, speak and vote at, all general meetings of the Company in person (or, if a corporation, by a duly authorised representative) or by proxy. At any general meeting, on a show of hands every holder of Ordinary Shares who is present and entitled to vote shall have one vote and upon a poll every such holder of Ordinary Shares present in person, by duly authorised corporate representative or by proxy shall have one vote in respect of each Ordinary Share held by him and every corporate representative present in person may exercise all the powers on behalf of the company which authorised him to act as its representative and shall have one vote for every Ordinary Share in respect of which he is appointed the corporate representative. However, no member shall be entitled to exercise a vote at any general meeting (or class meeting) (i) in relation to an Ordinary Share if any call or other sum immediately payable by him in respect of that Ordinary Share remains unpaid; or (ii) in relation to any Ordinary Shares if a member has been served with a statutory notice by the Directors in the manner described in paragraph 3.2.2 below and has failed to supply to the Company the information required thereby within 14 days.

### 3.2.2 *Restrictions on voting*

If a holder of Ordinary Shares or any person appearing to be interested in those Ordinary Shares is served with a statutory notice by the Company under section 793 of the Companies Act (which notice demands the disclosure of certain information regarding the relevant receiver's interest in the Ordinary Shares) but defaults in supplying to the Company the information thereby required within 14 days of the service of such notice the holder will automatically be prevented from voting at any general meeting or class meeting of the Company in respect of those Ordinary Shares.

## 3.3 *Redeemable ordinary shares*

Subject to the provisions of the Companies Act, and without prejudice to any rights attached to any class of shares for the time being in issue, any share may be issued (i) on terms that it is, or is liable to be, redeemed at the option of the Company or the holder on such terms and conditions and in such manner as the Directors may, before the allotment of such shares, determine; and (ii) with such preferred, deferred or other rights or subject to such restrictions, whether as regards dividend, return of capital, voting, conversion or otherwise, as the Company may from time to time by ordinary resolution determine.

## 3.4 *Transfer of Ordinary Shares*

The Articles provide that Ordinary Shares may be transferred on the following basis:

- 3.4.1 any member may transfer all or any of his uncertificated Ordinary Shares by means of a relevant system in such manner provided for in, and subject to, the Uncertificated Securities Regulations 2001 and the rules of any relevant system,

and accordingly no provision of the Articles shall apply in respect of an uncertificated Ordinary Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Ordinary Share to be transferred; and

- 3.4.2 any member may transfer all or any of his certificated Ordinary Shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register of members of the Company in respect of it.

However, the Board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any Ordinary Share which is not fully paid provided that where such Ordinary Share is admitted to the premium segment of the Official List such discretion may not be exercised in such a way as to prevent dealings in Ordinary Shares of that class from taking place on an open and proper basis.

The Board may also decline to register a transfer of an uncertificated Ordinary Share in the circumstances set out in the Uncertificated Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

In relation to certificated Ordinary Shares, the Board may also decline to register any transfer unless:

- (i) the instrument of transfer is delivered for registration to the registrar's office or such other place as the Directors have specified, accompanied by the certificate(s) for the shares to which it relates (except in the case of a transfer by a financial institution where a certificate has not been issued or in the case of a renunciation) and such other evidence as the Directors may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so;
- (ii) (if stamp duty is generally chargeable on transfers of certificated Ordinary Shares) the instrument of transfer is duly stamped or adjudged or certified as not chargeable to stamp duty;
- (iii) the instrument of transfer is in respect of only one class of share; and
- (iv) in the case of a transfer to joint holders, the number of joint holders to whom the Ordinary Share is to be transferred does not exceed four.

The Board may in addition decline, subject to the requirements of the Uncertificated Securities Regulations 2001, to register the transfer of an Ordinary Share subject to a direction notice (as detailed in paragraph 3.2.2 above) where the person holding the restricted Ordinary Shares holds at least 0.25 per cent. in number or nominal value of the Ordinary Shares in the Company. This restriction cannot be applied where the transfer is



pursuant to an "arm's length sale".

### 3.5 *Variation of rights*

All or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise). All the provisions of the Articles as to general meetings of the Company (described at paragraph 3.11 below) shall, *mutatis mutandis*, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of the class (excluding any shares of that class held as treasury shares), but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum, that every holder of shares of the class present in person or by proxy (excluding any Ordinary Shares of that class held as treasury shares) shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions shall apply to the variation of any special rights which only attach to certain shares of a particular class as if the shares carrying such special rights formed a separate class.

### 3.6 *Reduction of Capital*

The Company may by ordinary resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner permitted by law.

### 3.7 *Untraced Shareholders*

Subject to various notice requirements, the Company may sell on the London Stock Exchange at the best price reasonably obtainable any certificated Ordinary Share provided that for a period of 12 years at least three dividends (whether interim or final) on those Ordinary Shares have become payable and no dividend in respect of those Ordinary Shares during that period has been claimed by presentation at a bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of (or person entitled to) the Ordinary Shares or otherwise been transferred through CREST (or another relevant service), and so far as the Directors are aware the Company has not received any communication during the relevant period from the holder of, or person entitled to, those Ordinary Shares.

### 3.8 *Capital reserve*

The Directors shall establish a reserve to be called the "capital reserve" and shall either, at the discretion of the Directors, carry to the credit of such reserve from time to time all capital profits or appreciations derived from the sale, realisation, transposition, repayment or revaluation of any capital asset or investment of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. For the

avoidance of doubt, accrued but unpaid interest or any sum received in respect of accrued but unpaid interest shall not be treated as capital profits or appreciations arising on the sale, realisation, transposition, repayment or revaluation of any investment or other capital asset. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any investment or other capital asset and any other expenses, loss or liability (or provision thereof) as the Directors may in their discretion determine to be of a capital nature may be carried to the debit of the capital reserve. Any increase or diminution in the amount of any index-linked stock or other index-linked obligation of the Company may be carried to the debit or credit of the capital reserve, except so far as the Directors in their discretion decide to make good the same out of or credit the same to other funds or reserves of the Company.

Subject to the Companies Act and without prejudice to the foregoing generality, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other. The Board may determine whether any cost, liability or expense (including, without limitation, any costs incurred or sums expended in connection with the management of the assets of the Company or finance costs (including, without limitation, any interest payable by the Company in respect of any borrowings of the Company)) is to be treated as a cost, liability or expense chargeable to capital or to revenues or partly one and partly the other, having regard, *inter alia*, to the investment objectives of the Company, and to the extent the Directors determine that any such cost, liability or expense should reasonably and fairly be apportioned to capital the Board may debit or charge the same to the capital reserve.

### 3.9 *Borrowing powers*

The Board may, subject to the provisions of the Companies Act and the restrictions set out below, exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Company or any of its subsidiaries from time to time and for the time being owing to persons outside the Company or any of its subsidiaries from time to time shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the aggregate of (i) the amount standing to the credit of the share capital account of the Company and (ii) the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve fund) plus or minus the amount standing to the credit or debit (as the case may be) of the revenue account all as shown in the latest audited accounts but adjusted as may be necessary and appropriate to take account of any increase in or reduction of the issued and paid up share capital of the Company since the date to which the balance sheet incorporated in such accounts shall have been made up and any distributions (other than normal preference dividends and interim dividends paid in each case out of profits earned since such date) in cash or specie made, recommended or

declared from such reserves or revenue account since such date; excluding any sums set aside for taxation; deducting any amount for goodwill or any other intangible asset shown as an asset in such balance sheet (as adjusted); deducting any amount attributable to minority interests; and after making such other adjustments (if any) as the Auditors may consider appropriate.

For the purposes of the foregoing provisions:

3.9.1 "audited accounts" shall mean the audited accounts of the Company unless at the relevant date there shall be a subsidiary which has made up accounts which have been audited in which event "audited accounts" shall mean a consolidation of the latest audited accounts of the Company and such subsidiary and the references to reserves and revenue account shall be deemed to be references to reserves and revenue account as shown in such consolidation and the deduction in respect of goodwill shall not include goodwill arising only on such consolidation; and

3.9.2 share capital allotted shall be treated as issued and share capital called up or payable at any fixed future date within the following six months shall be treated as already paid and if the Company proposes to issue any shares for cash and such issue has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following six months shall be deemed to have been paid up.

No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

### 3.10 *Directors*

#### 3.10.1 *Number of Directors*

The minimum number of Directors is two and there shall be no more than 10 Directors.

#### 3.10.2 *Appointment and removal of Directors*

The Company may by ordinary resolution appoint any person who is willing to act to be a Director (either as an addition to the Board or to fill a vacancy). The Board may also appoint any person to the Board (either as an addition or to fill a vacancy) for the period from the date of appointment until the next annual general meeting.

Each Director shall retire from office at each annual general meeting.

The Company may remove a Director at any time by ordinary resolution or by way of notice in writing signed by all other Directors of the Company at that time.

The office of Director shall also be vacated if:

- (i) he becomes prohibited by law from acting as a director, or shall cease to be a director by virtue of any provision of the Companies Act; or
- (ii) not being a Director holding executive office for a fixed period, he resigns by notice in writing to the Company or tendered at a meeting of the Directors or if by notice in writing to the Company or tendered at a meeting of the Directors he offers to resign, and the Directors resolve to accept such offer; or
- (iii) having been appointed for a fixed term, the term expires; or
- (iv) he has a bankruptcy order made against him or settles or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (v) he becomes incapable by reason of illness or injury of managing and administering his property and affairs and the Directors resolve that his office be vacated; or
- (vi) he and his alternate (if any) are absent from meetings of the Directors for the greater of six consecutive months and six consecutive meetings without the consent of the Directors and the Directors resolve that his office be vacated; or
- (vii) having retired in accordance with the Articles, he is not re-appointed as a Director; or
- (viii) he is removed from office as a Director by notice in writing sent to him at his last known address signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company or otherwise.

### 3.10.3 *Directors' fees, expenses and remuneration*

The fees paid to Directors for their services as Directors shall not exceed £150,000 in aggregate or such higher amount as the Company may by ordinary resolution determine. A Director may also be paid his travelling, hotel and other expenses properly and reasonably incurred in attending and returning from meetings of the Directors or any committees of the Directors or general meetings of the Company or otherwise properly and reasonably incurred by him in connection with the business of the Company. A Director who is appointed to any executive office or employment with the Company or any associated company, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the

ordinary duties of a Director, may be paid such remuneration or benefits by way of salary, commission, participation in profits or otherwise, in addition to or in substitution for his ordinary remuneration as a Director, as the Directors or any committee of the Company authorised by the Directors may determine.

#### 3.10.4 *Directors' interests*

If authorised by a resolution of the Board, no Director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the Director holding that office or of the fiduciary relationship thereby established.

A Director, notwithstanding his office, may be or become a director or other officer of, or hold any place of profit in, or act in a professional capacity for, or otherwise be interested in, any associated company. A Director who is a director or other officer of, or otherwise interested in, any associated company is authorised to act subject to any guidance from time to time issued by the Directors for dealing with conflict situations arising in relation to associated companies or any of them. The Directors may exercise any voting rights exercisable by the Company in any associated company in such manner and in such respects as they think fit, including voting in favour of any resolution appointing them or any of their number directors or officers of any associated company or voting or providing for the payment of remuneration to the directors or officers of any associated company.

A Director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

A Director shall not vote (or, if he does vote, his vote shall not be counted) or be counted as part of the quorum on any resolution of the Directors in respect of any contract, arrangement, transaction or any other kind of proposal in which he has a direct or indirect interest unless (i) his interest cannot reasonably be regarded as likely to give rise to a conflict of interests or (ii) the resolution relates to one of the permitted matters listed in the Articles and he has no other interest beyond that indicated in that Article.

Any authorisation given by the Board under the Articles may provide that the Director in question need not disclose to or use for the benefit of the Company any information relating to the relevant matter which he obtains or has obtained otherwise than as a Director or employee of the Company and in respect of which he owes a duty of confidentiality to a person other than the Company.

If a question arises at any time as to whether a Director's interest can reasonably

be regarded as likely to give rise to a conflict of interests or as to his entitlement to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be conclusive and binding on all concerned, except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

Subject to the Companies Act and the Listing Rules, the Company may by ordinary resolution suspend or relax the above provisions on Directors' conflicts to any extent or ratify any transaction not duly authorised by reason of a contravention of the Articles.

#### 3.10.5 *Voting and quorum*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

The quorum at Board meetings shall be two Directors (unless fixed at another number by the Board).

#### 3.11 *General meetings*

Annual general meetings shall be convened by not less than 21 clear days' notice in writing. Subject to the Companies Act, all other general meetings shall be called by not less than 14 clear days' notice in writing. The notice shall specify the place, date and time of the meeting and the general nature of the business to be transacted. Notice of every general meeting shall be given to the Directors and all members other than any who, under the provisions of the Articles or the terms of issue of the Ordinary Shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors or, if more than one, each of them.

The accidental omission to give notice of a general meeting or of any resolution intended to be moved at a general meeting or the accidental omission to send any document relating to any general meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

If it appears to the chairman that the principal meeting place or any satellite meeting place is inadequate to accommodate all members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated can be identified and is able to: (i) communicate to all other persons attending the meeting, during the meeting, any information or opinions which he has on the business of the meeting and to have communicated to him any information or opinions which any other person attending the meeting may wish to communicate; and (ii) vote, during the meeting, on any resolution on which he is entitled to vote which is put to the vote at the meeting and that his vote can be taken into account in determining whether or not such resolutions are passed at the

same time as the votes of all the other persons attending the meeting.

The Directors may from time to time make any arrangement and impose any restriction they consider appropriate to ensure the security of a meeting, including requiring evidence as to identity to be produced by a person attending the meeting, searching of a person attending the meeting and restriction of the items of property which may be taken into the meeting place. The Directors may refuse entry to and/or remove from a meeting any person who refuses to comply with these arrangements or restrictions.

### **3.12**     *Electronic communication*

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

### **3.13**     *Alteration of share capital*

Subject to the Companies Act, the Company may by ordinary resolution: (i) consolidate, or consolidate and divide, all or any of its share capital into shares of a larger nominal amount than its existing shares; and (ii) sub-divide its shares, or any of them, (whether or not following a consolidation) into shares of a smaller nominal amount than its existing shares and the resolution may determine that, as between the shares resulting from such sub-division, any of them may, as compared with the others, have any such preferred, deferred or other rights, or be subject to any such restrictions, as the Company has power to attach to new shares.

## **4.        Directors' and other interests**

- 4.1        The aggregate of the remuneration paid and benefits in kind granted to the Directors by the Company for the financial period which ended on 30 June 2020 was £27,500 to the Chairman, £24,000 to the Chairman of the Audit Committee and £20,000 to each of Mr Kidd, Mr A Scott and Mr Morgan. The fees are reviewed annually. With effect from 1 July 2020 the annual remuneration paid and benefits in kind granted to the Directors by the Company will be increased to £29,500 to the Chairman, £25,500 to the Chairman of the Audit Committee and £21,500 to the other non-executive Directors. The total remuneration and benefits in kind granted to the Directors will not be varied as a consequence of the Issues. No Director is eligible for pension, retirement or similar benefits and no amounts have been set aside by the Company to provide pension, retirement or similar benefits.
- 4.2        Any new Director appointed during the year must stand for election at the first annual general meeting following their appointment. Thereafter, each of the Directors is obliged to retire and, subject to a performance evaluation, if they wish, offer themselves for re-election every three years however it is the intention that all Directors will stand for annual re-election in accordance with the AIC Code going forward. Directors who have served on the Board for longer than nine years will submit themselves for re-election every year. None of the Directors' letters of appointment contain notice periods nor provisions for any compensation being payable upon early termination by the Company.
- 4.3        No Director has or has had any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the

Company and which has been effected by the Company since its date of incorporation.

4.4 No loan or guarantee has been granted or provided by the Company for the benefit of any Director.

4.5 The Directors do not have any options over Ordinary Shares. As at the date of this document, the interests of the Directors in the issued share capital of the Company were as follows:

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued shared capital</i>
Mr Malcolm Scott (Chairman)	895,384*	1.82%
Mr Russell Napier	127,125	0.26%
Mr David Kidd	17,500	0.04%
Mr Harry Morgan	13,892	0.03%
Mr Alan Scott	288,850**	0.59%
Mrs Diana Dyer Bartlett	5,293	0.01%

\* This figure includes 250,000 Ordinary Shares held in a trust of which Mr Malcolm Scott is a beneficial trustee and 63,694 Ordinary Shares held by a discretionary trust of which Mr Scott is a trustee.

\*\* This figure includes 138,850 Ordinary Shares held by a trust of which Mr Alan Scott is a beneficial trustee.

4.6 As at 26 June 2020 (being the latest practicable date prior to the publication of this document) the Company is aware of the following persons who are interested in three per cent. or more of the Company's issued share capital.

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued shared capital</i>
Rathbone Investment Management Limited	4,765,485	9.5%
Mr Simon Edelsten	2,099,527	4.2%

The Directors are not aware of any person or persons who, following the Issues, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no special voting rights for any Shareholder.

4.7 Details of those companies (other than the Company) and partnerships of which the Directors have been a member of the administrative, management or supervisory body or a partner at any time in the five years preceding the date of this document are as follows:

	<i>Current directorships/ memberships</i>	<i>Previous directorships/ memberships</i>
(i) Mr Malcolm Scott	▪ N/A	▪ N/A
(ii) Mr Russell Napier	<ul style="list-style-type: none"> <li>▪ Against the Head Limited</li> <li>▪ Cerno Capital Partners LLP</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Scottish Investment Trust PLC</li> </ul>



		<ul style="list-style-type: none"> <li>▪ Didasko Education Company Limited</li> <li>▪ Orlock Advisors Limited</li> </ul>	
(iii)	Mr David Kidd	<ul style="list-style-type: none"> <li>▪ The Baillie Gifford Japan Trust plc</li> <li>▪ The Golden Charter Trust</li> <li>▪ The Law Debenture Pension Trust Corporation plc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Martin Currie Global Portfolio Trust plc</li> <li>▪ The Salvation Army International Trustee Company</li> <li>▪ Shires Income plc</li> </ul>
(iv)	Mr Harry Morgan	<ul style="list-style-type: none"> <li>▪ The Tilney Group</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Association of Investment Companies</li> </ul>
(v)	Mr Alan Scott	<ul style="list-style-type: none"> <li>▪ Adam &amp; Company</li> </ul>	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
(vi)	Mrs Diana Dyer Bartlett	<ul style="list-style-type: none"> <li>▪ Rutherford Health plc</li> <li>▪ Smartspace Software plc</li> <li>▪ Smithson Investment Trust plc</li> <li>▪ Trafalgar Limited</li> </ul>	<ul style="list-style-type: none"> <li>▪ Precious Cells International Limited (in administration)*</li> <li>▪ SmartSpace Software plc (formally known as Coms plc and RedstoneConnect plc)**</li> </ul>

\* Precious Cells International Limited and its subsidiary, Pharmacells Limited were placed into administration on 28 March 2018 and 13 April 2018 respectively, ten months after Diana's resignation on 31 May 2017. At the time of her resignation, the companies were able to pay their debts as they fell due.

\*\* During Diana's appointment as a director of SmartSpace Software plc (formerly known as Coms plc and RedstoneConnect plc), the Coms plc group had trading difficulties and Diana took on an interim role as chief finance officer. Following the departure of the finance director and chief executive officer of Coms plc, Diana became a director of the majority of Coms plc's subsidiaries on 1 March 2015. After the sale of the business and assets of most of the Coms plc's subsidiaries, which comprised its telecommunications division, at the end of May 2015 and the discharge of agreed trading liabilities, the following companies were put into creditors' voluntary liquidation: Coms Carrier Services Limited, Network Resource Limited, CloudXL Networks Limited, Coms Mobile Limited, System Online Limited, CloudXL Support Limited, Network Resource Group Limited, Smarter Mobile UK Limited, Coms.com Limited, Premium O Limited, and CloudXL Limited.

- 4.8 As at the date of this document, none of the Directors:
- 4.8.1 has any convictions in relation to fraudulent offences for at least the previous five years;
  - 4.8.2 has been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of the companies and/or partnerships referred to in paragraph 4.7 above; or
  - 4.8.3 has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.
- 4.9 The Administrator maintains a conflicts of interest register to monitor any potential conflicts of interest between any duties of the Directors carried out on behalf of the Company and their private interests and/or other duties. Save for those companies and/or partnerships referred to in paragraph 4.7 above, there are no potential conflicts of interest. All of the Directors are independent of the Investment Manager and any other company in the same group of companies as the Investment Manager.

## **5. Subsidiary undertakings**

The Company has no subsidiary undertakings.

## **6. Related party transactions**

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) at any time during the two financial periods ended 31 December 2019 in respect of which the Company has published financial information or during the period from 1 January 2020 to the date of this document.

## **7. Mandatory bids, squeeze-out and sell-out rules**

### **7.1 *Mandatory bids***

As a company incorporated in Scotland with shares admitted to trading on the London Stock Exchange, the Company is subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires an interest in 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all

the remaining equity share capital of the relevant company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares might take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buying back by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

## **7.2**      *Squeeze-out and sell-out rules*

Other than as provided by the Companies Act, there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the Ordinary Shares. Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Ordinary Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Ordinary Shares not assented to the offer. It would do so by sending a notice to the other holders of Ordinary Shares telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of those Ordinary Shares subject to the transfer. The consideration offered to the holders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Ordinary Shares (in value and by voting rights, pursuant to a takeover offer that relates to all the Ordinary Shares in the Company) to which the offer relates, any holder of Ordinary Shares to which the offer relates who has not accepted the offer may require the offeror to acquire his Ordinary Shares on the same terms as the takeover offer.

The offeror would be required to give any holder of Ordinary Shares notice of his right to be bought out within one month of that right arising. Such sell out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Ordinary Shares notifying them of their sell out rights. If a holder of Ordinary Shares exercises their rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## **8.        Disclosures under the Market Abuse Regulation**

The table below sets out a summary of the information disclosed by the Company under the Market Abuse Regulation over the 12 month period preceding the date of this Prospectus.

<i>Date</i>	<i>Title of Announcement</i>	<i>Disclosure</i>
27 May 2020	Proposals for further share issuance	The Company disclosed the intention to seek further share issuance authority from Shareholders and to publish a prospectus.
20 May 2020	Block listing application	The Company disclosed that an application for a new block listing had been submitted to the FCA and LSE.
25 March 2020	Appointment of auditor	The Company disclosed that following a tender process the Company had appointed Johnston Carmichael LLP as its external auditor.
28 January 2020	Resignation of auditor	The Company disclosed that its auditor, Scott-Moncrieff, had resigned from its office as statutory auditor to the Company with immediate effect.
27 January 2020	Appointment of independent non-executive Director	The Company disclosed the appointment of Mrs Diana Dyer Bartlett as a non-executive Director with effect from 1 February 2020.
22 October 2019	Block listing application	The Company disclosed that an application for a new block listing had been submitted to the FCA and LSE.

## **9. Material contracts**

The following are all of the material contracts, other than contracts entered into in the ordinary course of business, to which the Company has been a party within the two years preceding the date of publication of this document and any other contract, not being a contract entered into in the ordinary course of business, that has been entered into by the Company which contains any provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

### **9.1 *Investment Management Agreement***

The Investment Management Agreement dated 15 July 2014 pursuant to which the Investment Manager has agreed, subject to the overall policy and supervision of the Directors and such directions as the Directors may give from time to time, to advise upon investments in accordance with the Company's investment policy and to act as the

Company's alternative investment fund manager for the purposes of the AIFM Directive. The Investment Manager receives a management fee in accordance with the Investment Management Agreement, such management fee being calculated and payable quarterly in arrears. The management fee is based on the Net Asset Value of the Company and is calculated monthly at a rate of 0.5 per cent. per annum of net assets.

The Investment Management Agreement will continue until terminated at any time by either party giving to the other not less than six months' written notice. Either party may also terminate the Investment Management Agreement by notice in writing if either party (or any of its directors, officers, employees or agents) is guilty of any serious misconduct, negligence, wilful default or fraud, if either party commits a material breach or on the occurrence of certain insolvency events. The Company may also terminate the Investment Management Agreement if the Investment Manager ceases to be authorised under FSMA or ceases to maintain its permission with the FCA.

The Investment Manager has agreed to indemnify the Company in respect of all losses incurred as a result of the negligence, wilful default, fraud or bad faith of the Investment Manager or a breach of the Investment Management Agreement by the Investment Manager.

The Company has agreed to indemnify the Investment Manager in respect of all claims by third parties in relation to such acts and things as the Investment Manager shall lawfully do or cause to be done in the proper performance of its duties except to the extent that such claim is due to the negligence, wilful default, fraud or bad faith of the Investment Manager or a breach of any applicable laws or the Investment Management Agreement.

The Investment Management Agreement is governed by the laws of Scotland.

## 9.2 *The Administration Agreement*

The Administration Agreement dated 30 June 2014 pursuant to which the Administrator has agreed to provide administrative services, including those in connection with the calculation of the Net Asset Value. The fees payable under the Administration Agreement are paid by the Investment Manager.

The Administration Agreement will continue until terminated at any time by any party giving to the other not less than six months' written notice. The Company or the Investment Manager may also terminate the Administration Agreement by giving not less than three months' written notice where the Administrator commits a material breach of the Administration Agreement or the Administrator sub-contracts any of its services under the Administration Agreement or moves offshore without the prior written consent of the Company or the Investment Manager. The Company or the Investment Manager may also terminate the Administration Agreement by notice in writing on the occurrence of certain insolvency events in respect of the Administrator, if there is a change of control of the Administrator or the Administrator commits a material breach of any regulation, has any regulatory licence withdrawn or suspended or is subject to public censure. The Administrator may terminate the Administration Agreement by giving notice in writing where the Company has failed to pay any fees due under the Administration Agreement for a period of 120 days or more or where there has been a material breach of the

Administration Agreement by the Company or the Investment Manager.

The Administrator has agreed to indemnify the Company in respect of all losses incurred from a breach of the Administration Agreement by it or as a result of the negligence, fraud or wilful default of the Administrator or any member of its group or their respective officers or employees or as a result of an act or omission of any sub-contractor for which the Administrator is liable.

The Company has agreed to indemnify the Administrator and its group in respect of all losses incurred by the Administrator which arise as a result of acting on any instructions of the Company or the Investment Manager, relying on any information provided by the Company or the Investment Manager or performing any of its duties or obligations under the Administration Agreement save where any such loss is incurred as a result of any breach by the Administrator of the Administration Agreement or the fraud, negligence or wilful default of the Administrator, any member of its group or any sub-contractor of the Administrator.

The Administration Agreement is governed by the laws of England.

### 9.3 *The Depositary Agreement*

The Depositary Agreement dated 15 July 2014 pursuant to which the Company appointed J.P. Morgan Europe Limited as the Company's Depositary for the purposes of the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary performs, *inter alia*, safekeeping, cashflow monitoring and oversight services in accordance with the AIFM Directive. The Depositary is responsible for enquiring into the conduct of the Investment Manager each annual accounting period.

The annual fee payable to the Depositary is 0.0125 per cent. per annum of net assets.

The Depositary Agreement will continue until terminated at any time by the Company giving the Depositary 90 days' written notice or the Depositary giving the Company 180 days' written notice. Either party may also terminate the Depositary Agreement by notice in writing if the other party commits any material breach of the Depositary Agreement that has not been remedied within 30 days of notice or on the occurrence of certain insolvency events. The Company may also terminate the Depositary Agreement if the AIFM ceases to be authorised to act as investment manager of the Company or if the Depositary ceases to be authorised to act as depositary. The Depositary may also terminate the Depositary Agreement immediately if any provision of the Articles which relate to the liability of the Depositary is amended or removed without the prior written approval of the Depositary.

On termination of the Depositary Agreement, the Company shall pay to the Depositary such fees as are outstanding at the date of termination together with any outstanding expenses or disbursements.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary may delegate its safekeeping functions in relation to securities and other assets of the Company. The Depositary must exercise due care, skill and diligence in the selection of a delegate to perform the safekeeping functions in respect of securities and other assets of the Company. The employment of any such delegate shall

not relieve the Depositary of its responsibilities or liabilities under the Depositary Agreement. Under the Depositary Agreement, the safekeeping function in respect of the Company's assets has been delegated to the custodian, JPMorgan Chase Bank, N.A. pursuant to the Custody Agreement.

The Company has agreed to indemnify the Depositary and the Custodian (together with their subcustodians, affiliates and their respective nominees, directors, officers, employees and agents) in respect of all liabilities in connection with the Depositary's status as a holder of the Company's securities and performance under the Depositary Agreement other than as a result of the Depositary's fraud, negligence, wilful misconduct or breach of the Depositary Agreement.

The Depositary Agreement is governed by the laws of England.

#### 9.4 *The Custody Agreement*

The Custody Agreement dated 30 June 2014 pursuant to which JPMorgan Chase Bank, N.A., was appointed to act as the Company's custodian. The Custodian receives fees for the provision of custodian services at such rates as may be agreed from time to time (plus applicable VAT).

Under the terms of the Custody Agreement the Custodian is authorised to act through and hold the Company's investments with sub-custodians. The Custodian will use reasonable care in the selection, monitoring and continued appointment of sub-custodians. The Custodian will remain liable for direct losses incurred by the Company that result from the failure of a sub-custodian to use reasonable care in the provision of custodial services by it in accordance with the standards prevailing in the relevant market or from the fraud or wilful default of such sub-custodian in the provision of custodial services by it or the insolvency of any affiliated sub-custodian.

The Custody Agreement contains an indemnity in favour of the Custodian and its respective nominees, directors, officers, employees and agents against liabilities imposed on them in connection with their performance under the agreement, provided that the Custodian has not acted with negligence or engaged in fraud or wilful default in connection with the liabilities in question.

The Custody Agreement will continue for so long as the Depositary Agreement is in effect and will terminate automatically upon the termination of the Depositary Agreement, unless the parties agree otherwise.

The Custody Agreement is governed by the laws of England.

### **10. Investment restrictions**

#### 10.1 In accordance with the requirements of the FCA, the Company:

- 10.1.1 will not invest more than 10 per cent. in aggregate of the value of the total assets of the Company in other investment companies or investment trusts which are listed on the premium segment of the Official List (except to the extent that those investment companies or investment trusts have published investment policies to

invest no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List);

10.1.2 will not conduct any trading activity which is significant in the context of the Company as a whole;

10.1.3 will, at all times, invest and manage its assets:

(i) in a way which is consistent with its object of spreading investment risk; and

(ii) in accordance with its published investment policy.

10.2 Subject to Board approval, the Company may use derivatives for efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in its investments, including protection against currency risks) and to achieve capital growth. Derivatives may be used for investment purposes or to hedge specific risks pertaining to the Company's portfolio composition. The fair value or future cash flows of derivatives or other investments held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board reviews and agrees policies for managing these risks and the Investment Manager assesses the exposure to market risk when making individual investment decisions and monitors the overall level of market risk across the investment portfolio on an ongoing basis.

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10.3 As an investment trust, the Company aims to comply with section 1158 of the Tax Act, which imposes on the Company an obligation to spread investment risk.

10.4 In accordance with the requirements of the FCA, the Company will not make any material change to its published investment policy without the approval of its Shareholders by ordinary resolution. Such an alteration would be announced by the Company through a Regulatory Information Service.

10.5 In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by an announcement issued through a Regulatory Information Service approved by the FCA.

## 11. General

11.1 In the 12 months preceding the date of this Prospectus there have been no governmental, legal or arbitration proceedings (and, in so far as the Company is aware, there are no governmental, legal or arbitration proceedings pending or threatened) which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

11.2 Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document with the inclusion therein of its name in the form and context in which they are included.



## **12. Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and at the registered office of the Company, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY:

- (i) the Articles;
- (ii) the annual report and accounts of the Company for the financial year ended 30 June 2019;
- (iii) the interim report of the Company for the financial period ended 31 December 2019; and
- (iv) this document.

The documents set out above are available at the Company's website, [midwynd.com](http://midwynd.com).

## **13. Availability of this document**

This document is available for inspection at <https://data.fac.org.uk/#/nsm/nationalstoragemechanism> and, until 28 June 2021, copies are available for collection, free of charge, from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company, 6th Floor Exchange Plaza, 50 Lothian Road, Edinburgh, Scotland, EH3 9BY.

**30 June 2020**

## DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

<b>Administration Agreement</b>	the administration agreement dated 30 June 2014 between the Administrator and the Company (as amended from time to time), further details of which are set out in paragraph 9.2 of Part 6 of this document
<b>Administrator or Depositary</b>	J.P. Morgan Europe Limited, a company incorporated in England and Wales (registered number 00938937), whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP
<b>Admission</b>	the admission of any New Shares to the premium segment of the Official List and to trading on the Main Market
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance
<b>AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council
<b>Articles</b>	the articles of association of the Company, as amended from time to time
<b>Auditors</b>	Johnston Carmichael LLP, a limited liability partnership incorporated in Scotland (registered number SO303232), whose registered office is at Bishop's Court, 29 Albyn Place, Aberdeen, Aberdeenshire, AB10 1YL
<b>Australia</b>	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
<b>Canada</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time
<b>Company</b>	Mid Wynd International Investment Trust PLC, a company incorporated in Scotland (registered number SC042651), whose registered office is at 6th Floor Exchange Plaza, 50 Lothian Road, Edinburgh, Scotland, EH3 9BY
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI2001/3755), as amended from time to time
<b>Custodian</b>	J.P. Morgan Chase Bank N.A., a national association established under the laws of the United States, whose principal place of business in England and Wales is at 25 Bank Street, Canary Wharf, London E14 5JP

<b>Custody Agreement</b>	the global custody agreement dated 30 June 2014 between the Company and the Custodian, further details of which are set out in paragraph 9.4 of Part 6 of this document
<b>Depository Agreement</b>	the depository agreement dated 15 July 2014 between the Company and the Depository, further details of which are set out in paragraph 9.3 of Part 6 of this document
<b>Directors or Board</b>	the directors of the Company
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>Documentation Costs</b>	the aggregate costs of, and incidental to, the publication of this document
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>FCA</b>	the Financial Conduct Authority
<b>FRS</b>	Financial Reporting Standard
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended from time to time
<b>HMRC</b>	HM Revenue & Customs
<b>Investment Management Agreement</b>	the investment management agreement dated 15 July 2014 between the Company and the Investment Manager, as amended from time to time, further details of which are set out in paragraph 9.1 of Part 6 of this document
<b>Investment Manager or AIFM or Company Secretary</b>	Artemis Fund Managers Limited, a company incorporated in England and Wales (registered number 01988106), whose registered office is at Cassini House, 57-59 St. James's Street, London SW1A 1LD
<b>ISA</b>	an individual savings account for the purposes of section 694 of the Income Tax (Trading and Other Income) Act 2005
<b>Issue</b>	an issue of New Shares at the Issue Price, as described in this document and " <b>Issues</b> " shall be construed accordingly
<b>Issue Price</b>	the price at which New Shares are to be issued under any Issue, which will be determined as explained in Part 3 of this document
<b>Japan</b>	Japan, its cities, prefectures, territories and possessions
<b>Listing Rules</b>	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>Market Abuse Regulation</b>	Regulation (EU) 596/2014, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation

<b>NAV or Net Asset Value</b>	net asset value calculated in accordance with the Company's normal accounting policies
<b>NAV per Share</b>	the net asset value per Ordinary Share from time to time, calculated in accordance with the Company's normal accounting policies
<b>New Shares</b>	the new Ordinary Shares to be issued pursuant to any Issue
<b>Official List</b>	the official list of the FCA
<b>Ordinary Shares or Shares</b>	ordinary shares of 5 pence each in the capital of the Company
<b>Overseas Investor</b>	a person who is not resident in, or who is outside, or who has a registered address outside, the United Kingdom
<b>PRA</b>	the Prudential Regulation Authority
<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>Registrar</b>	Computershare Investor Services PLC, a company incorporated in England and Wales (registered number 03498808), whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE
<b>Regulatory Information Service</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>RPI</b>	the UK retail price index
<b>SDRT</b>	stamp duty reserve tax
<b>Shareholder</b>	a holder of Ordinary Shares
<b>Share Issuance Programme</b>	the proposed programme of ongoing issuances of New Shares as described in Part 3 of this document
<b>SIPP</b>	a self-invested personal pension plan
<b>SSAS</b>	a small self-administered pension scheme
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Tax Act</b>	the Corporation Tax Act 2010, as amended from time to time
<b>UK Code</b>	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
<b>United States or USA</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia