

Mid Wynd  
International  
Investment Trust *PLC*

Half-Yearly Financial Report  
for the six months ended  
31 December 2014



**ARTEMIS**  
The PROFIT Hunter

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## Objective and investment policy

The objective of the Company is to achieve capital and income growth by investing on a worldwide basis. Investments are selected for their inclusion within the portfolio solely on the basis of the strength of the investment case. Therefore, the portfolio will not track any stockmarket index.

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 in aggregate. Assets other than equities will 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).

It is an aim of the Company to provide dividend growth over time, although this is subordinate to the primary aim of maximising total returns to shareholders.

While there is a comparative index for the purpose of measuring performance, little attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A long term view is taken and there may be periods when the net asset value per share declines in absolute terms and relative to the comparative index. The number of individual holdings will vary over time but to ensure diversification there can be between 40 and 140 holdings and the portfolio is managed on a global basis rather than as a series of regional sub-portfolios.

### Financial highlights

- Net asset value total return of 11.3 per cent.
- Share price total return of 12.5 per cent.
- Interim dividend of 1.35 pence per share\*, an increase of 3.8 per cent.

	As at 31 December 2014	As at 30 June 2014
Shareholders' funds	£73.2m	£62.8m
Net asset value per share (after deducting borrowings at fair value)	308.1p	279.2p
Net asset value per share (after deducting borrowings at par)	308.1p	279.3p
Share price	306.0p	274.5p
Discount (borrowings at fair value)	(0.7)%	(1.7)%
Discount (borrowings at par)	(0.7)%	(1.7)%

	Six months to 31 December 2014	Six months to 31 December 2013
Revenue earnings per share	1.56p	1.52p
Interim dividend per share*	1.35p	1.30p

	Six months to 31 December 2014	Six months to 31 December 2013
<b>Total returns<sup>†</sup></b>		
Net asset value (after deducting borrowings at fair value)	11.3%	12.5%
Share price	12.5%	9.0%
MSCI All Country World Index (in sterling)	7.6%	6.0%
FTSE World Index (in sterling)	7.8%	6.6%

	Six months to 31 December 2014		Year to 30 June 2014	
<b>Period's high and low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Net asset value per share (borrowings at fair value)	310.8p	269.3p	294.4p	253.3p
Net asset value per share (borrowings at par)	310.8p	269.4p	294.6p	253.6p
Share price	306.0p	263.5p	288.0p	252.5p
Premium/(discount) (borrowings at fair value)	1.8%	(3.7)%	2.5%	(5.9)%
Premium/(discount) (borrowings at par)	1.8%	(3.8)%	2.4%	(6.0)%

#### Notes

\* The interim dividend for the year to 30 June 2015 will be paid on 10 April 2015 to shareholders on the register at the close of business on 27 February 2015. The ex-dividend date is 26 February 2015. The Company's Registrars offer a Dividend Reinvestment Plan and the final date for receipt of elections for this dividend is 18 March 2015.

<sup>†</sup> Source: Artemis/Datastream.

## Chairman's statement

### Performance

I am pleased to report strong performance by the Company over the six months, which saw the net asset value and share price both exceed 300 pence for the first time in the Company's history. The net asset value as at 31 December 2014 stood at 308.1 pence per share, an increase of 10.4 per cent, which compares to the capital return on the MSCI All Country World Index (in sterling) of 6.7 per cent. The net asset value total return, based on the combination of capital appreciation and dividends (assuming dividends are re-invested) was 11.3 per cent, compared to the benchmark's total return of 7.6 per cent. Whilst only a six month reporting period, it is, nevertheless, encouraging that the Company has achieved this performance in its first reporting period under Artemis' management, following the portfolio re-structuring in May and June 2014. Further details on the performance and the portfolio are set out in the investment manager's review that follows.

### Benchmark

You will note from the paragraph above that the Company's comparative index has changed from the FTSE World Index (in sterling) to the MSCI All Country World Index (in sterling). The reason for this change is that the latter index includes a broader list of constituent markets, particularly in emerging markets. The Board and investment manager agreed that this represents a better comparator, in view of how the portfolio is now managed by Artemis.

### Revenue account and dividend

For the six months ended 31 December 2014, the Company had a revenue return of 1.56 pence per share and an interim dividend of 1.35 pence per share (2013: 1.30 pence) will be paid to shareholders on 10 April 2015 to those on the register on 27 February 2015.

### Share capital

During the period under review, 554,440 shares were bought back at a cost of £1.5 million and

placed in treasury. These shares were purchased at an average discount of 2.6 per cent and added 0.15 pence per share to the net asset value for continuing shareholders. Around 75 per cent of the total shares repurchased were acquired in July and August 2014 and included the remaining sellers from the Baillie Gifford savings plans and ISAs.

I am pleased to record an expansion of the Company's share capital in December 2014, when 1,822,609 shares were re-issued from treasury, raising £5.6 million of new money. The shares were issued to a number of existing and new investors in the Company. The share issue followed a number of presentations on the Company by the investment manager.

The Board and the investment manager remain committed to continuing to grow the Company and will seek to issue further shares to satisfy future demand. In order to be able to meet this demand, the Company is required to have certain authorities from shareholders. At the last annual general meeting, shareholders approved the issue of up to 10 per cent of the Company's share capital without first offering these shares to existing shareholders. The recent issue of shares has used the majority of this authority; and an update is now being sought. You will find enclosed with this report a letter setting out further details of this proposal, together with a notice of general meeting and form of proxy.

### Borrowings

Another important matter to report to you relates to the borrowings of the Company. The existing facilities, consisting of £2.5 million and €3.0 million fixed rate loans with Scotiabank, are due to expire on 20 February 2015. Work has been carried out on finding a replacement for these and a review of a number of potential lenders and their offerings was undertaken. The outcome of this review is that terms have been agreed in principle, again with Scotiabank, but this time to provide a three-year revolving credit facility of US\$16 million. The Board, following discussions with the investment manager,

## Chairman's statement (continued)

decided on a US dollar denominated facility to act as a natural hedge against the Company holding assets priced in US dollars. As for the increase in the size of the facility, the Board considers this to be far from imprudent in relation to the net assets of the Company (potential gearing of up to 14 per cent); while a revolving credit facility provides the Company with a greater level of flexibility in how these borrowings are utilised. Gearing can be increased or decreased to reflect the investment manager's views on stockmarkets and investment opportunities.

### Outlook

The outlook in the short-term is uncertain. Both the UK and US continue to grow their economies, but by contrast many economies across Europe are struggling to generate any growth and are experiencing recessionary and deflationary pressures. The European Central Bank has decided (since the end of the reporting period) to pump money into the system via quantitative easing to try and stimulate growth, but the success or otherwise of this is difficult to predict at this stage. China and a number of other emerging markets, whilst still growing, are doing so at slower rates than in the past, although the sharp decline in the oil price should help companies and economies that have a high dependency on oil and significant energy costs.

The investment manager's thematic and value bias aims to create a resilient portfolio that provides a degree of downside protection, should markets fall; but also reward shareholders should markets rise.

### Contact us

I look forward to reporting further in the annual report on the performance of your Company and its portfolio. Until then, shareholders can keep up to date with developments between formal reports by visiting [midwynd.co.uk](http://midwynd.co.uk), where you will find information on the Company and a factsheet which is updated monthly. In addition, the Board is always keen to hear from shareholders. Should you wish to, you can e-mail me at [richard.burns@artemisfunds.com](mailto:richard.burns@artemisfunds.com).

Richard Burns  
Chairman

16 February 2015

## Investment manager's review

### Review of the period

This was a busy but rewarding six months for the Company. Having largely completed re-structuring the portfolio by the end of June, we let the Company's new holdings go to work in the market over the last six months of the year.

The Company's net asset value increased by 11.3 per cent during the second half of 2014. And while some of that was due to stock-picking and our well-timed decision to increase gearing during October, the portfolio's increased exposure to the US (and by extension, to the US dollar) also played a considerable part.

Two major issues dominated returns. The first was the slide in the value of sterling relative to the US dollar. Such was the divergence between the two currencies that the Company's benchmark index ended the period lower in US dollar terms – but produced a positive return in sterling. Happily, the Company was a beneficiary of this. One of our first actions when we assumed responsibility for the portfolio was to increase its geographical diversity. That resulted in a much smaller position in the UK market and a significant increase in exposure to the US.

The second principal issue at work was the sharp fall in the price of oil. That was dramatic and accelerated into the final quarter of the year. One of our investment themes at the start of the period was 'Energy in a Gas Glut'. This focussed our attention on those companies which are beneficiaries of cheap gas, such as pipeline companies.

The other group of companies which formed part of this theme were US onshore oil producers, who are using new technologies – such as 'fracking' – to tap new sources of energy. For a time, these onshore producers produced phenomenal returns. The Company made money on its holdings in such companies

earlier in the period. With the oil price falling, however, we felt that one of the supports for these companies' cashflows was ebbing away with alarming rapidity. At the same time, we became concerned by weakening demand in emerging markets. Taken together, this prompted us to cut all of our positions in US onshore oil companies at a relatively early stage. Investment themes seldom die; they tend to shift and change over time. 'Energy in a Gas Glut', however, seems to be the exception. It has, in our view, largely played out.

Our value bias, in combination with our thematic approach, often directs us towards Japanese companies. Unfortunately, an increase in the consumption tax appears to have had a dampening effect on that country's fragile economic recovery. This was confirmed by a research trip to Japan, where all the evidence was that the domestic economy is merely 'chugging along'. And although the Prime Minister has received a renewed mandate from Japanese voters for his reform program, we have grown more cautious on Japan.

Overall, the contributors to the Company's pleasing performance over the six months have been quite varied. In our 'Media Content' theme, our faith in Time Warner continues to be rewarded. We also saw good returns from our US railroad stocks and from some of the 'Retiree Spending Power' holdings, and in particular, VF (owner of the North Face brand of outdoor clothing) performed well. Unsurprisingly, the main negative contributors were our oil positions. As mentioned above, however, we enjoyed good returns on those holdings earlier in the year and we are pleased that we cut our positions when we did, thereby avoiding the worst of the falls in the oil price. The portfolio now has no direct exposure to oil companies. Instead, we prefer to own those companies that will be the beneficiaries of lower hydrocarbon prices.

## Investment manager's review (continued)

### Top ten contributors to performance

Name	Contribution (%)
Walgreens Boots Alliance	0.7
Eastern Tobacco	0.6
Bank of China	0.6
Time Warner	0.5
Visa	0.5
AmerisourceBergen	0.5
Rakuten	0.5
Abbvie	0.5
Union Pacific	0.4
VF	0.4

### Bottom ten contributors to performance

Name	Contribution (%)
Ebara	(0.3)
Continental Resources	(0.2)
Google	(0.2)
Global Logistic Properties	(0.2)
Dreamworks Animation	(0.2)
Discovery Communications	(0.2)
Marfin Investment Group Holdings	(0.1)
EOG Resources	(0.1)
Cabela's	(0.1)
Sumitomo Mitsui Financial Group	(0.1)

### Outlook

Although the last six months have seen a number of dips in global equity markets, investors have typically returned to the market as buyers after a short hiatus. Valuations have risen, but there are few attractive alternatives to equities – so we believe that companies with strong and visible cashflows will do well. This does not, however, feel like the right time to be over-ambitious. As such, we are backing companies that can provide consistent cashflows. Our themes focus our investment selection on growing industries. We expect the portfolio overall to continue to deliver attractive returns.

Simon Edelsten, Alex Illingworth &  
Rosanna Burcheri  
Fund managers



## Investments

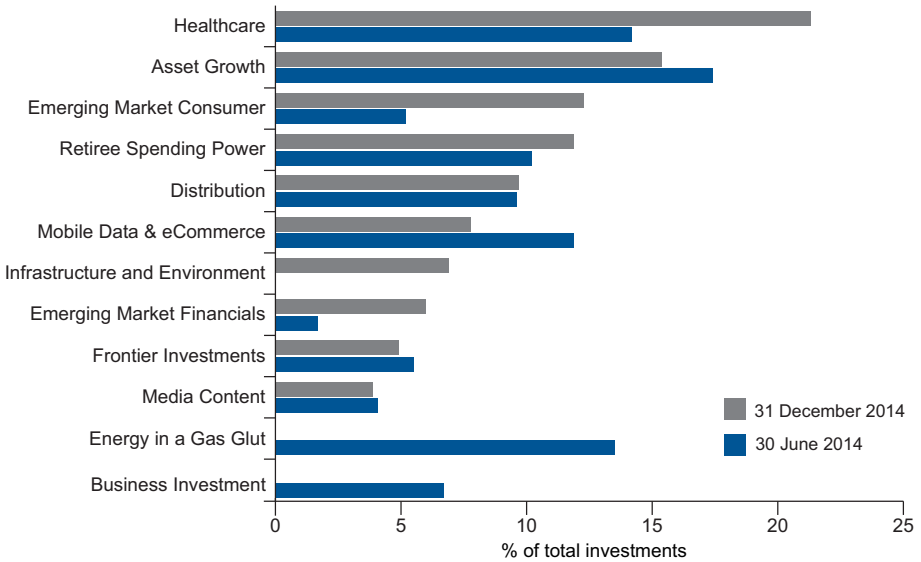
Investment	Region	Industry	Market Value £'000	% of total assets
<b>Equities</b>				
Google	North America	Information Technology	1,815	2.5
Smith & Nephew	UK	Health Care	1,626	2.2
Walgreens Boots Alliance	North America	Consumer Staples	1,597	2.2
AmerisourceBergen	North America	Health Care	1,588	2.2
Bank of New York Mellon	North America	Financials	1,586	2.2
Unibail-Rodamco	Europe	Financials	1,567	2.1
Bayer	Europe	Health Care	1,547	2.1
Spectra Energy	North America	Energy	1,535	2.1
China Merchants Holdings (International)	Developed Asia	Industrials	1,512	2.1
Capital One Financial	North America	Financials	1,508	2.1
Singapore Telecom	Developed Asia	Telecommunication Services	1,486	2.0
CapitaMall Trust	Developed Asia	Financials	1,482	2.0
VF	North America	Consumer Discretionary	1,479	2.0
Eastern Tobacco	Emerging	Consumer Staples	1,470	2.0
Time Warner	North America	Consumer Discretionary	1,470	2.0
Walt Disney	North America	Consumer Discretionary	1,464	2.0
Boston Scientific	North America	Health Care	1,435	2.0
Nestle	Europe	Consumer Staples	1,424	1.9
Sumitomo Mitsui Financial Group	Japan	Financials	1,418	1.9
Mastercard	North America	Information Technology	1,416	1.9
Actavis	North America	Health Care	1,403	1.9
Global Logistic Properties	Developed Asia	Financials	1,370	1.9
Perrigo	North America	Health Care	1,360	1.9
Burberry Group	UK	Consumer Discretionary	1,346	1.8
Norfolk Southern	North America	Industrials	1,342	1.8
Colgate Palmolive	North America	Consumer Staples	1,340	1.8
Cabela's	North America	Consumer Discretionary	1,323	1.8
Agricultural Bank of China	Developed Asia	Financials	1,312	1.8
Premier	North America	Health Care	1,283	1.8
Henry Schein	North America	Health Care	1,271	1.7
Cheung Kong Infrastructure Holdings	Developed Asia	Utilities	1,267	1.7
Essilor International	Europe	Health Care	1,247	1.7
Louis Vuitton Moet-Hennessy	Europe	Consumer Discretionary	1,241	1.7
Prudential	UK	Financials	1,236	1.7
TLG Immobilien	Europe	Financials	1,185	1.6
Medipal Holdings	Japan	Health Care	1,159	1.6
Bank of China	Developed Asia	Financials	1,135	1.5
Astrazeneca	UK	Health Care	1,127	1.5
Union Pacific	North America	Industrials	1,125	1.5
Mapletree Logistics Trust	Developed Asia	Financials	1,105	1.5

## Investments (continued)

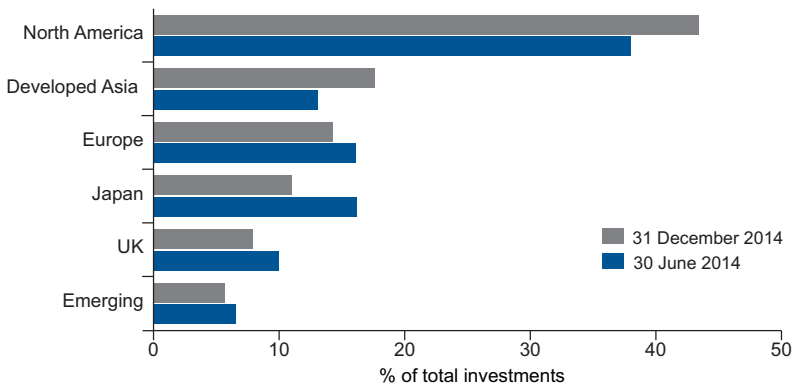
Investment	Region	Industry	Market Value £'000	% of total assets
Nike	North America	Consumer Discretionary	1,088	1.5
Deutsche Annington Immobilien	Europe	Financials	1,069	1.5
Rakuten	Japan	Consumer Discretionary	1,066	1.5
Sysco	North America	Consumer Staples	1,061	1.5
Pernod-Ricard	Europe	Consumer Staples	1,049	1.4
Jardine Matheson	Developed Asia	Industrials	963	1.3
Carnival	North America	Consumer Discretionary	904	1.2
Shimano	Japan	Consumer Discretionary	896	1.2
SATS	Developed Asia	Industrials	894	1.2
CVS Health	North America	Consumer Staples	861	1.2
Ulker Biskuvi Sanayi	Emerging	Consumer Staples	854	1.2
Asics	Japan	Consumer Discretionary	851	1.2
East African Breweries	Emerging	Consumer Staples	760	1.0
Daifuku	Japan	Industrials	736	1.0
Fujitec	Japan	Industrials	733	1.0
Mizuho Financial Group	Japan	Financials	715	1.0
Hospira	North America	Health Care	709	1.0
Japan Airport Terminal	Japan	Industrials	635	0.9
Yoma Strategic Holdings	Developed Asia	Financials	591	0.8
Kolao Holdings	Emerging	Consumer Discretionary	587	0.8
Doric Nimrod Air One	UK	Industrials	569	0.8
Letshego Holdings	Emerging	Financials	564	0.8
Ecolab	North America	Materials	361	0.5
Hermes International	Europe	Consumer Discretionary	134	0.2
Ferro Alloy Resources	Emerging	Materials	9	–
NBNK Investments (warrants)	UK	Financials	–	–
<b>Total equity investments</b>			<b>74,261</b>	<b>101.4</b>
<b>Bonds</b>				
<b>US Dollar denominated</b>				
Royal Bank of Scotland 0% 10/08/16	Europe	Financials	180	0.2
<b>Total bond investments</b>			<b>180</b>	<b>0.2</b>
<b>Forward foreign exchange contracts</b>				
Bought US Dollar – 19 March 2015			2,112	2.9
Sold Japanese Yen – 19 March 2015			(2,062)	(2.8)
<b>Total forward foreign exchange contracts</b>			<b>50</b>	<b>0.1</b>
<b>Total investments</b>			<b>74,491</b>	<b>101.7</b>
Net current assets (excluding bank loans)			3,572	4.9
Bank loans			(4,828)	(6.6)
<b>Total net assets</b>			<b>73,235</b>	<b>100.0</b>

# Theme and region analysis of investments

## Theme analysis as at 31 December 2014



## Region analysis as at 31 December 2014



## Responsibility statement of the directors in respect of the Half-Yearly Financial Report

We confirm that to the best of our knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 December 2014:

- the condensed set of financial statements has been prepared in accordance with the Financial Reporting Council's statement 'Half-Yearly Financial Reports';
- the Chairman's statement to shareholders and investment manager's review includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party

transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

The Half-Yearly Financial Report for the six months ended 31 December 2014 was approved by the Board and the above responsibility statement has been signed on its behalf by:

Richard Burns  
Chairman

16 February 2015

## Income statement

	Note	For the six months ended 31 December 2014 (unaudited)			For the six months ended 31 December 2013 (unaudited)			For the year ended 30 June 2014 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	6,153	6,153	–	7,999	7,999	–	6,601	6,601
Currency gains/(losses)		–	603	603	–	(65)	(65)	–	(5)	(5)
Income		565	–	565	661	–	661	1,603	–	1,603
Investment management fee		(41)	(123)	(164)	(90)	(90)	(180)	(178)	(178)	(356)
Other administrative expenses		(121)	(8)	(129)	(123)	–	(123)	(230)	(120)	(350)
<b>Net return before finance costs and taxation</b>		<b>403</b>	<b>6,625</b>	<b>7,028</b>	<b>448</b>	<b>7,844</b>	<b>8,292</b>	<b>1,195</b>	<b>6,298</b>	<b>7,493</b>
Finance costs of borrowings		(16)	(48)	(64)	(33)	(33)	(66)	(65)	(65)	(130)
<b>Net return on ordinary activities before taxation</b>		<b>387</b>	<b>6,577</b>	<b>6,964</b>	<b>415</b>	<b>7,811</b>	<b>8,226</b>	<b>1,130</b>	<b>6,233</b>	<b>7,363</b>
Tax on ordinary activities		(38)	–	(38)	(18)	–	(18)	(82)	–	(82)
<b>Net return on ordinary activities after taxation</b>		<b>349</b>	<b>6,577</b>	<b>6,926</b>	<b>397</b>	<b>7,811</b>	<b>8,208</b>	<b>1,048</b>	<b>6,233</b>	<b>7,281</b>
<b>Net return per ordinary share</b>	<b>2</b>	<b>1.56p</b>	<b>29.43p</b>	<b>30.99p</b>	<b>1.52p</b>	<b>29.88p</b>	<b>31.40p</b>	<b>4.08p</b>	<b>24.27p</b>	<b>28.35p</b>

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

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

## Balance sheet

	Note	As at 31 December 2014 (unaudited) £'000	As at 31 December 2013 (unaudited) £'000	As at 30 June 2014 (audited) £'000
<b>Fixed assets</b>				
Investments held at fair value through profit or loss		74,441	76,642	66,328
<b>Current assets</b>				
Financial assets: derivative financial instruments		50	–	–
Debtors		1,421	167	643
Cash and cash equivalents		2,482	1,761	1,288
		<u>3,953</u>	<u>1,928</u>	<u>1,931</u>
<b>Creditors</b>				
Amounts falling due within one year	4	(5,159)	(206)	(5,417)
<b>Net current (liabilities)/assets</b>		<u>(1,206)</u>	<u>1,722</u>	<u>(3,486)</u>
<b>Total assets less current liabilities</b>		<u>73,235</u>	<u>78,364</u>	<u>62,842</u>
<b>Creditors</b>				
Amounts falling due after more than one year				
Bank loans	4	–	(4,996)	–
<b>Total net assets</b>		<b>73,235</b>	<b>73,368</b>	<b>62,842</b>
<b>Capital and reserves</b>				
Called up share capital		1,343	1,343	1,343
Capital redemption reserve		16	16	16
Share premium		5,698	4,983	4,983
Capital reserve		64,782	65,745	54,904
Revenue reserve		1,396	1,281	1,596
<b>Shareholders' funds</b>		<b>73,235</b>	<b>73,368</b>	<b>62,842</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at fair value)	5	<b>308.1p</b>	<b>282.5p</b>	<b>279.2p</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at par)		<b>308.1p</b>	<b>282.6p</b>	<b>279.3p</b>

## Reconciliation of movements in shareholders' funds

	Note	For the six months ended 31 December 2014 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2014		1,343	16	4,983	54,904	1,596	62,842
Net return on ordinary activities after taxation		–	–	–	6,577	349	6,926
Issue of shares from treasury	6	–	–	715	4,839	–	5,554
Repurchase of shares	6	–	–	–	(1,538)	–	(1,538)
Dividends paid	3	–	–	–	–	(549)	(549)
<b>Shareholders' funds at 31 December 2014</b>		<b>1,343</b>	<b>16</b>	<b>5,698</b>	<b>64,782</b>	<b>1,396</b>	<b>73,235</b>

	Note	For the six months ended 31 December 2013 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2013		1,343	16	4,983	59,010	1,435	66,787
Net return on ordinary activities after taxation		–	–	–	7,811	397	8,208
Repurchase of shares	6	–	–	–	(1,076)	–	(1,076)
Dividends paid	3	–	–	–	–	(551)	(551)
<b>Shareholders' funds at 31 December 2013</b>		<b>1,343</b>	<b>16</b>	<b>4,983</b>	<b>65,745</b>	<b>1,281</b>	<b>73,368</b>

	Note	For the year ended 30 June 2014 (audited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2013		1,343	16	4,983	59,010	1,435	66,787
Net return on ordinary activities after taxation		–	–	–	6,233	1,048	7,281
Repurchase of shares	6	–	–	–	(10,339)	–	(10,339)
Dividends paid	3	–	–	–	–	(887)	(887)
<b>Shareholders' funds at 30 June 2014</b>		<b>1,343</b>	<b>16</b>	<b>4,983</b>	<b>54,904</b>	<b>1,596</b>	<b>62,842</b>

\* Capital reserve as at 31 December 2014 includes unrealised gains of £6,184,000 (31 December 2013 – £24,449,000; 30 June 2014 – £3,075,000).

## Cash flow statement

	Note	Six months to 31 December 2014 (unaudited) £'000	Six months to 31 December 2013 (unaudited) £'000	Year to 30 June 2014 (audited) £'000
Net cash inflow from operating activities		235	308	763
Net cash outflow from servicing of finance		(64)	(65)	(130)
Net cash (outflow)/inflow from financial investment		(2,452)	1,859	10,671
Dividends paid	3	(549)	(551)	(887)
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>		<b>(2,830)</b>	<b>1,551</b>	<b>10,417</b>
<b>Financing</b>				
Issue of shares from treasury	6	5,554	–	–
Repurchase of shares	6	(1,530)	(993)	(10,332)
<b>Net cash inflow/(outflow) from financing</b>		<b>4,024</b>	<b>(993)</b>	<b>(10,332)</b>
<b>Increase in cash</b>		<b>1,194</b>	<b>558</b>	<b>85</b>
<b>Reconciliation of net cash flow to movement in net debt</b>				
Increase in cash in the period		1,194	558	85
Exchange movement on bank loans		74	75	169
<b>Movement in net debt in the period</b>		<b>1,268</b>	<b>633</b>	<b>254</b>
<b>Net debt at start of the period</b>		<b>(3,614)</b>	<b>(3,868)</b>	<b>(3,868)</b>
<b>Net debt at end of the period</b>		<b>(2,346)</b>	<b>(3,235)</b>	<b>(3,614)</b>
<b>Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities</b>				
Net return before finance costs and taxation		7,028	8,292	7,493
Net gains on investments		(6,153)	(7,999)	(6,601)
Currency (gains)/losses		(603)	65	5
Amortisation of fixed income book cost		1	(16)	(19)
Changes in debtors and creditors		–	(18)	(33)
Overseas tax		(38)	(16)	(82)
<b>Net cash inflow from operating activities</b>		<b>235</b>	<b>308</b>	<b>763</b>



# Notes to the Half-Yearly Financial Report

## 1. Accounting policies

The condensed financial statements for the six months to 31 December 2014 comprise the statements set out on pages 11 to 14 together with the related notes on pages 15 to 17. They have been prepared on the basis of the accounting policies as set out in the Company's Annual Financial Report for the year ended 30 June 2014 and in accordance with the Financial Reporting Council's Statement 'Half-Yearly Financial Reports' and have not been audited or reviewed by the Auditor's pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly.

The financial information contained within this Half-Yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 30 June 2014 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

## 2. Return per ordinary share

	Six months to 31 December 2014 (unaudited) £'000	Six months to 31 December 2013 (unaudited) £'000	Year to 30 June 2014 (audited) £'000
<b>Net return per ordinary share</b>			
Revenue return on ordinary activities after taxation	349	397	1,048
Capital return on ordinary activities after taxation	6,577	7,811	6,233
<b>Total net return</b>	<b>6,926</b>	<b>8,208</b>	<b>7,281</b>

Net return per ordinary share has been calculated based on 22,351,284 (31 December 2013 – 26,142,498; 30 June 2014 – 25,684,721) ordinary shares, being the weighted average number of ordinary shares in issue during each period. There are no dilutive or potentially dilutive shares in issue.

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

### 3. Dividends

	Six months to 31 December 2014 (unaudited) £'000	Six months to 31 December 2013 (unaudited) £'000	Year to 30 June 2014 (audited) £'000
<b>Amounts recognised as distributions in the period:</b>			
Final dividend for the year ended 30 June 2014 of 2.50 pence, paid 31 October 2014 (2013 – 2.10 pence, paid 11 October 2013).	549	551	550
Interim dividend for the year ended 30 June 2014 of 1.30 pence, paid 3 April 2014	–	–	337
	<b>549</b>	<b>551</b>	<b>887</b>
<b>Amounts paid and payable in respect of the period:</b>			
Interim dividend for the year ending 30 June 2015 of 1.35 pence (2014: 1.30 pence)	321	337	337
Final dividend for the year ended 30 June 2014 of 2.50 pence	–	–	549
Adjustment to provision for previous year's final dividend	–	(3)	–
	<b>321</b>	<b>334</b>	<b>886</b>

An interim dividend of 1.35 pence per share was declared after the period end date and has therefore not been included as a liability in the balance sheet. It is payable on 10 April 2015 to shareholders on the register at the close of business on 27 February 2015. The ex-dividend date is 26 February 2015. The Company operates a dividend reinvestment plan and the final date for elections for this dividend is 18 March 2015.

### 4. Borrowing facilities

The bank loans falling due within one year as at 31 December 2014 and 30 June 2014 (due in more than one year as at 31 December 2013) comprised £2.5 million and €3.0 million loans drawn under facilities which expire on 20 February 2015.

### 5. Fair value of financial liabilities

The fair value of the bank loans at 31 December 2014 was £4,836,000 (31 December 2013 – £5,038,000; 30 June 2014 – £4,930,000).

## 6. Share capital

	At 31 December 2014 (unaudited) No. of shares	At 31 December 2013 (unaudited) No. of shares	At 30 June 2014 (audited) No. of shares
Allotted, called up and fully paid (ordinary shares of 5 pence each)	23,768,630	25,958,830	22,500,461
Treasury shares (ordinary shares of 5 pence each)	3,095,200	905,000	4,363,369
	<b>26,863,830</b>	<b>26,863,830</b>	<b>26,863,830</b>

In the six months to 31 December 2014 a total of 554,440 ordinary shares with a nominal value of £27,722 were bought back at a total cost of £1,538,000 and held in treasury (31 December 2013 – 405,000 ordinary shares with a nominal value of £20,250 at a total cost of £1,076,000; 30 June 2014 – 3,863,369 ordinary shares with a nominal value of £193,000 at a total cost of £10,339,000).

In addition, in the six months to 31 December 2014 a total of 1,822,609 ordinary shares with a nominal value of £91,130 were re-issued from treasury for total proceeds of £5,554,000, of which £715,000 was credited to share premium, and £4,839,000 was credited to the capital reserve. No shares were allotted in the period. The Company did not allot or issue any shares during the year ended 30 June 2014.

## 7. Related party transactions

There were no related party transactions during the period.

## 8. Transactions with the investment manager

The investment management fee payable for the six months ended 31 December 2014 was £164,000 (six months ended 31 December 2013 – £180,000; year ended 30 June 2014 – £356,000) of which £85,000 (31 December 2013 – £92,000; 30 June 2014 – £54,000) was outstanding at the period end.

## 9. Principal risks and uncertainties

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

These risks, which have not materially changed since the Annual Financial Report for the year ended 30 June 2014, and the way in which they are managed, are described in more detail in the Annual Financial Report which is available at [midwynd.co.uk](http://midwynd.co.uk).

## Information for shareholders

### Buying shares in the Company

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

### Company numbers:

London Stock Exchange (SEDOL) number:  
B6VTTK0

ISIN number: GB00B6VTTK07

Ticker: MWY

### Capital Gains Tax

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

### Share register enquiries

Computershare maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrar on 0870 707 1186. This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

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

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

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

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

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

### Dividend reinvestment plan

Computershare operates a dividend reinvestment plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to [investorcentre.co.uk](http://investorcentre.co.uk) and follow the instructions or telephone 0870 707 1694.

### Financial advisors and retail investors

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

## Further information on the Company

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

## Reporting calendar

### **Year End**

30 June

### **Results announced**

Interim: February

Annual: September

### **Dividends Payable**

April and October/November

### **Annual General Meeting**

October/November

## General information

### Directors

Richard Burns (Chairman)  
Harry Morgan  
Russell Napier  
Alan Scott  
Malcolm Scott, QC

### Registered office

42 Melville Street  
Edinburgh EH3 7HA  
Website: [midwynd.co.uk](http://midwynd.co.uk)

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

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

The Investment Manager is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS

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

### Administrator

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

### Registrar

Computershare Investor Services PLC  
The Pavillions  
Bridgwater Road  
Bristol BS99 6ZZ  
Tel: 0870 707 1186

### Depository

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

### Banker & Custodian

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

### Auditor

Scott-Moncrieff  
Exchange Place 3  
Sempie Street  
Edinburgh EH3 8BL

### Broker

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



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