

Mid Wynd  
International  
Investment Trust *PLC*

Half-Yearly Financial Report  
for the six months ended  
31 December 2017



**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.

The Company is prepared to move freely between different markets, sectors, industries, market capitalisations and asset classes as investment opportunities dictate. On acquisition, no holding shall exceed 15% of the portfolio. The Company will not invest more than 15% of its gross assets in UK listed investment companies. Assets other than equities 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).

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.

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

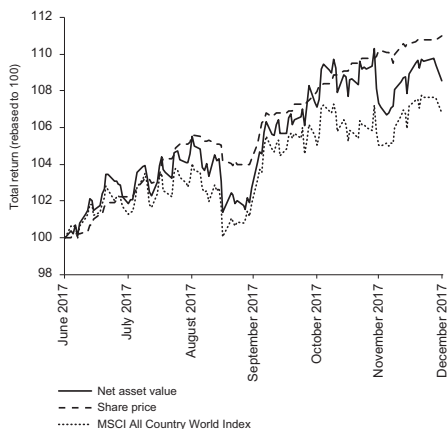
While there is a comparative index for the purpose of measuring performance, little attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A long-term view is taken and there may be periods when the net asset value per share declines in absolute terms and relative to the comparative index.

## Financial highlights

	Six months ended 31 December 2017	Six months ended 31 December 2016
<b>Total returns</b>		
Net asset value per share	8.6%	12.5%
Share price	11.1%	19.7%
MSCI All Country World Index	6.8%	15.3%
<b>Revenue and dividends</b>		
Revenue earnings per share	3.05p	1.66p
Dividend per share*	1.80p	1.70p
Ongoing charges	0.7%	0.7%
<b>Capital</b>		
	As at 31 December 2017	As at 31 December 2016
Net asset value per share	477.30p	412.89p
Share price	489.38p	418.50p
Gearing	2.8%	2.6%

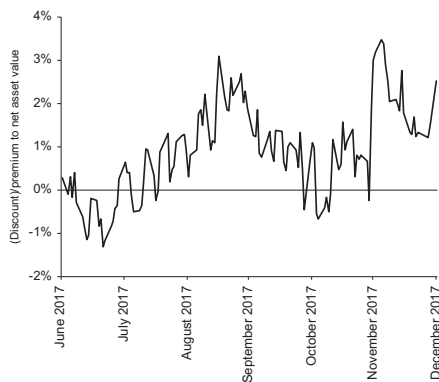
\* The interim dividend for the six months to 31 December 2017 will be paid on 5 April 2018 to shareholders on the register at the close of business on 9 March 2018.

### Performance for the six months ended 31 December 2017



Source: Datastream/Morningstar.

### (Discount)/premium during the six months ended 31 December 2017



Source: Datastream/Morningstar.

Total returns to 31 December 2017	3 years	Since 1 May 2014**	5 years
Net asset value per share	60.5%	82.5%	122.2%
Share price	65.7%	89.5%	135.3%
MSCI All Country World Index	50.5%	66.3%	100.7%

Source: Artemis/Datastream.

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

## Chairman's statement

### Performance

Over the six months to 31 December 2017 the capital return of the Company's net asset value per share increased by 8.5% to 477.3 pence per share. This compares with the capital return of 5.9% from the MSCI All Country World Index.

On a total return basis, with dividends assumed to be reinvested, the return was 8.6% compared with the index return of 6.8%. Since Artemis' appointment, as investment manager on 1 May 2014, the net asset value has increased by 82.5%, on a total return basis, against the Index's total return of 66.3%.

During the period the share price rose by 11.1% to 489.4 pence per share and at 31 December 2017 stood at a premium of 2.5% to net asset value.

### Revenue account and dividend

For the six months ended 31 December 2017 the Company had a revenue return of 3.05 pence per share. An interim dividend of 1.80 pence per share will be paid on 5 April 2018 to shareholders on the register on 9 March 2018, with an ex-dividend date of 8 March 2018. This represents an increase of 5.9% on last year's interim dividend of 1.70 pence.

### Share capital

The Company's Share Issuance Programme, announced in May last year, continues in effect until May 2018, enabling the directors to make periodic issues of shares to manage demand for the Company's shares. Under this programme, the Company issued a further 360,000 shares raising £1.7 million in the six months to 31 December 2017.

In the period from 1 January 2018 to 15 February 2018, 560,000 new shares have been issued to meet demand for the Company's shares in the market, raising a further £2.8 million.

### Borrowings

The Company's three year, US\$16 million revolving credit facility with Scotiabank matured on 19 February 2018. Following a review, the Company signed an agreement with Scotiabank for a \$30 million multi-currency revolving credit facility for a three year period to February 2021. This facility provides the Company with the flexibility to draw amounts, up to a maximum of \$30 million, depending on the Investment Manager's view on markets and investment opportunities.

### Outlook

The six months to the end of December has been another strong period for markets. The year ahead is likely to see reduced support for bond markets from Central Banks, especially the US Federal Reserve. However, this is against a background of excellent global growth, lower US corporate taxes and, to date, modest inflationary pressures. The portfolio contains companies with strong balance sheets, many of which have positive cash positions. If markets become more volatile it is expected the Company should perform well in comparison.

### Regulation

Shareholders may be aware that new regulations, the Packaged Retail and Insurance-based Investment Products ("PRIIPs") Regulations, came into effect from 1 January 2018. Under these regulations, the Investment Manager, as PRIIP manufacturer, is required to prepare and publish a key information document ("KID") in respect of the Company to help potential investors understand the nature, risk and costs of this product and to allow comparison with others.

## Chairman's statement (continued)

The content of the KID is highly prescriptive, both in terms of the assumptions underlying projected future returns under prescribed scenarios and the limited scope to provide further explanation of the content. Shareholders should note that the procedures for calculating the risks, costs and potential returns are prescribed by law and that expected performance returns cannot be guaranteed. It should not necessarily be assumed that past performance is a guide to future performance.

The directors believe that potential investors in the Company should use the KID in conjunction with other documentation produced by the Company, including the annual report and monthly factsheet, which is published on the Company's webpage [www.midwynd.co.uk](http://www.midwynd.co.uk)

### Keep up-to-date

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 that is updated each month. In addition, the Board is always keen to hear from shareholders. Should you wish to, you can e-mail me at [midwyndchairman@artemisfunds.com](mailto:midwyndchairman@artemisfunds.com).

**Malcolm Scott**  
Chairman

22 February 2018

## Investment Manager's review

### Review of period

The last six months saw global equities continue to perform well. Global growth strengthened in almost all regions and confidence measures rose leading to greater investment by companies. To date, this high rate of global growth has provoked very little inflation – much less than the market expected. Most of our investments have seen strong growth in underlying cash flows, justifying the rise in share prices.

### Performance

The Company performed well despite our cautious stance. The Automation theme has performed particularly well. Overall, the Company's capital value rose by 8.5% during the period and a dividend of 1.80 pence per share has been declared. This compares with the 5.9% capital return in the MSCI All Country World Index in sterling terms over the period.

The Company is principally invested in companies outside the UK and so Sterling's strength over the period, rising 3.7%, reduced returns. On the other hand, the share price premium to asset value rose a little, leaving the shares 11.1% higher over the period.

### Five largest stock contributors

Company	Theme	Contribution (%)
Daifuku	Automation	1.1
Yaskawa	Automation	0.8
Avery Dennison	Emerging	0.4
Airports of Thailand	Market Consumer	
	Tourism	0.3
World Wrestling Entertainment	Media Content	0.3

### Five largest stock detractors

Company	Theme	Contribution (%)
Boston Scientific	Healthcare	(0.5)
Premier Inc	Healthcare	(0.4)
Equifax	Online Services	(0.4)
Dufry	Tourism	(0.3)
Priceline	Tourism	(0.3)

### Artemis' investment process

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

### Current investment themes

**Automation** (18.0% of investments) – The year has seen a sharp increase in industrial investment and automation broadened in a range of new industries. As robots become more nimble and better controlled, production of light goods such as smartphones, sports shoes and cameras is increasingly automated, broadening demand for robots from being dominated by heavy manufacturing such as the automotive industry. Also, the quality and consistency of automated processes can be greater than a similar process with human intervention – even in areas such as keyhole surgery. When a leading company in any manufacturing sector increases their use of automation, that seems to provoke their competitors to follow suit or risk losing competitiveness.

## Investment Manager's review (continued)

This seems to underpin revenue growth for our investments in this theme over the years ahead. That said, valuations have already risen very sharply and this theme is already rather more fashionable than when we first invested in the Spring of last year.

**Online Services** (13.5% of investments) – Over the last six months we have taken profits in a few of our larger holdings – selling all of Amazon.com and Facebook. As these companies have become very large, we question whether their very high revenue growth is as high quality as in earlier years. We believe that share prices are supported, in the long-run, by cash profits rather than revenues and in these cases we feel that the market has placed these companies on very demanding valuations despite their cash profitability being unclear. As ever, we prefer to be safe rather than sorry and, having made very good profits in these investments, have decided to move on.

One of our other investments in this area, Equifax, America's largest credit checking bureau, suffered a large data breach. This was especially annoying for us as we had met the company's management beforehand and had specifically asked them about their data security standards. When the breach became apparent we sold the entire holding, taking a loss. Events like this remind us that no amount of research diligence protects investors from some risks to capital. This is why we limit the size of individual holdings to three percent of assets or less.

**Emerging Market Consumer** (12.7% of investments) – Emerging markets have continued to fare well and our modest exposure again gave good returns. Fears about a financial collapse in China proved hollow – how many times has that been the case? Meanwhile Prime Minister Modi's reforms in India seem to be driving a boom and there are signs that corruption is becoming slightly less of a hurdle to progress.

**Retiree Spending Power** (5.6% of investments) – Many of the demographic challenges in developed markets are now recognised. However, China now faces a huge ageing population, while the workforce grows only modestly due to the one-child policy of the 1980s. Currently 10% of Chinese people are over 65, by 2035 that portion will be 28%. This is driving automation – see above – but also a rapidly growing savings industry. Our investments in China Life Insurance and AIA Group have benefited from this growth.

**Tourism** (11.9% of investments) – Our tourism theme had a better period following its modest performance earlier in the year. Chinese tourist numbers have been particularly strong, leading to passenger growth through our airport holdings in China, Japan and Thailand.

**Healthcare Costs** (10.0% of investments) – having failed to replace Obamacare with something better, the Republican administration in the USA has left many facing rising health insurance premiums. Our main investments in the larger US private health insurance companies grow by providing a range of different levels of care at different price points and bulk-purchase some healthcare products to provide reasonable value for money. These shares have performed very well as they fill the gap left from the policies adopted.

Boston Scientific had a poor half year as one of their new products was slow to receive launch approval.

**Scientific Equipment** (6.9% of investments) – Another aspect of companies increasing investment levels has been demand for scientific equipment – from the healthcare, food and academic sectors. All of our main investments have performed reasonably well.

**Media Content** (10.1% of investments) – Broadband broadcasting allows companies such as Netflix and Amazon.com to reach consumers worldwide, avoiding local transmission



restrictions. This leads to a sharp increase in competition. Netflix spent \$6bn on making programmes last year and seems to have sold these to their subscribers for rather less than that – no wonder their subscriber numbers are strong – giving people product below cost is often popular.

However, this makes life challenging for investors in other production companies and we have sold our long standing investment in Walt Disney. We are now concentrating on the companies which provide broadband access to the internet, especially those in emerging markets where fixed broadband lines are seldom available.

**High Quality Assets** (11.3% of investments) – As strong global growth helps most of the investments in the portfolio grow their cash flows, the risk of inflation is always present and this part of the portfolio contains investments which may benefit from a modest rise in inflation without suffering from higher interest rates. We hold large banks in the US and Japan which would prefer higher short-term rates and would thrive if the yield curve also steepened. We also have investments in US railroads which benefit from more vigorous US domestic growth and could raise freight rates were inflation to return.

## Thematic attribution

Theme	Contribution (%)
Automation	2.8
Online Services	2.2
Emerging Market Consumer	1.2
High Quality Assets & Bank Regulation	1.2
Retiree Spending Power	0.6
Scientific Equipment	0.6
Media Content	0.6
Tourism	0.4
Healthcare Costs	(0.2)

## Regional attribution

Region	Contribution (%)
Japan	1.7
Europe	0.3
Emerging	0.1
Developed Asia	(0.1)
North America	(0.1)
UK	(0.2)

## Outlook

US interest rates have started rising, though much more slowly than expected. The world seems set for a year of vigorous economic growth next year in almost every region. There is an argument that growth in a modern economy comes from investment in intangible assets – software, patents, data – more than tangible assets – plant and equipment. This could partly explain why the US economy which has been growing steadily since 2009 does not seem to be suffering from supply constraints. However, if this is the case and inflation returns, interest rates may have to rise more vigorously to contain it.

We find the best growth opportunities the further we travel from London. Commercial investment levels are rising and most listed companies have very strong balance sheets.

We note some areas of stretched valuations in the market – perhaps some are holding internet stocks for fear of missing out. However, we also continue to find good growth stocks on modest valuations in less fashionable areas. As long as we can continue to identify these and invest in growth without taking excessive risks, we should be able to continue to reap reasonable returns for our shareholders.

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

**Investment Managers**

## Investments

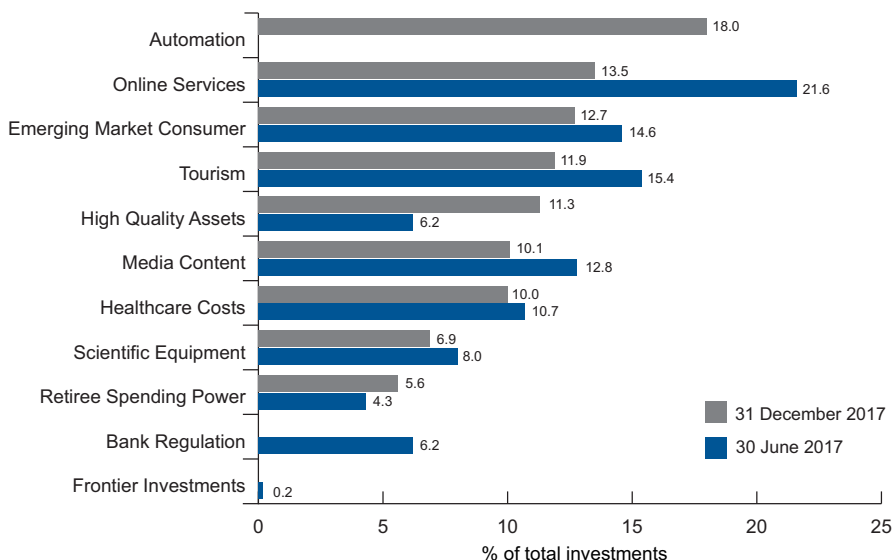
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
<b>Equities</b>					
Avery Dennison	North America	Materials	Emerging Market Consumer	3,993	2.5
LVMH	Europe	Consumer Discretionary	Emerging Market Consumer	3,991	2.5
UnitedHealth Group	North America	Health Care	Healthcare Costs	3,940	2.5
Alphabet	North America	Information Technology	Online Services	3,851	2.5
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	3,369	2.2
Boston Scientific	North America	Health Care	Healthcare Costs	3,363	2.1
Mitsubishi UFJ Financial	Japan	Financials	High Quality Assets	3,319	2.1
Oracle	North America	Information Technology	Online Services	3,292	2.1
Mastercard	North America	Information Technology	Online Services	3,283	2.1
Humana	North America	Health Care	Healthcare Costs	3,214	2.1
<b>Top 10 investments</b>				<b>35,615</b>	<b>22.7</b>
Fresenius Medical Care	Europe	Health Care	Healthcare Costs	3,205	2.0
Comcast	North America	Consumer Discretionary	Media Content	3,149	2.0
National Grid	UK	Utilities	High Quality Assets	3,097	2.0
Amadeus IT	Europe	Information Technology	Tourism	3,095	2.0
Agricultural Bank of China	Emerging	Financials	Emerging Market Consumer	3,013	1.9
Singapore Telecommunications	Developed Asia	Telecommunication Services	Media Content	2,983	1.9
Citigroup	North America	Financials	High Quality Assets	2,966	1.9
Samsonite International	Developed Asia	Consumer Discretionary	Tourism	2,952	1.9
Essilor International	Europe	Health Care	Emerging Market Consumer	2,951	1.9
Union Pacific	North America	Industrials	High Quality Assets	2,912	1.8
<b>Top 20 investments</b>				<b>65,938</b>	<b>42.0</b>
Accenture	North America	Information Technology	Online Services	2,893	1.8
Waters	North America	Health Care	Scientific Equipment	2,885	1.8
Kion Group	Europe	Industrials	Automation	2,849	1.8
Agilent Technologies	North America	Health Care	Scientific Equipment	2,780	1.8
China Mobile	Emerging	Telecommunication Services	Media Content	2,762	1.8
Prudential	UK	Financials	Retiree Spending Power	2,744	1.8
Paypal	North America	Information Technology	Online Services	2,713	1.7
Daifuku	Japan	Industrials	Automation	2,655	1.7
Sumitomo Mitsui Trust	Japan	Financials	High Quality Assets	2,649	1.7
Charles Schwab	North America	Financials	Online Services	2,637	1.7
<b>Top 30 investments</b>				<b>93,505</b>	<b>59.6</b>
CIE Financiere Richemont	Europe	Consumer Discretionary	Emerging Market Consumer	2,618	1.7
Japan Airport Terminal	Japan	Industrials	Tourism	2,553	1.6
Johnson & Johnson	North America	Health Care	Healthcare Costs	2,457	1.6
Nabtesco	Japan	Industrials	Automation	2,407	1.5
Hexagon	Europe	Information Technology	Automation	2,345	1.5
L'Oreal	Europe	Consumer Staples	Emerging Market Consumer	2,327	1.5

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Mitsubishi Electric	Japan	Industrials	Automation	2,322	1.5
Keyence	Japan	Information Technology	Automation	2,319	1.4
Applied Materials	North America	Information Technology	Automation	2,075	1.3
Tim Participacoes	Emerging	Telecommunication Services	Media Content	2,074	1.3
<b>Top 40 investments</b>				<b>117,002</b>	<b>74.5</b>
Shimadzu	Japan	Information Technology	Scientific Equipment	2,033	1.3
Icade (REIT)	Europe	Real Estate	High Quality Assets	2,013	1.3
Beijing Capital International Airport	Emerging	Industrials	Tourism	2,013	1.3
Telefonica	Europe	Telecommunication Services	Media Content	2,003	1.3
CapitaLand Mall Trust (REIT)	Developed Asia	Real Estate	Tourism	2,000	1.3
Airports of Thailand	Emerging	Industrials	Tourism	1,994	1.3
Tencent Holdings	Emerging	Information Technology	Online Services	1,993	1.3
China Life Insurance	Emerging	Financials	Retiree Spending Power	1,992	1.2
Intel	North America	Information Technology	Automation	1,932	1.2
Priceline Group	North America	Consumer Discretionary	Tourism	1,927	1.2
<b>Top 50 investments</b>				<b>136,902</b>	<b>87.2</b>
Goodman (REIT)	Developed Asia	Real Estate	Automation	1,879	1.2
Shimano	Japan	Consumer Discretionary	Retiree Spending Power	1,860	1.2
Yaskawa Electric	Japan	Information Technology	Automation	1,855	1.2
CKD	Japan	Industrials	Automation	1,790	1.1
Toyota Industries	Japan	Consumer Discretionary	Automation	1,729	1.1
World Wrestling Entertainment	North America	Consumer Discretionary	Media Content	1,698	1.1
Bharti Airtel	Emerging	Telecommunication Services	Media Content	1,678	1.1
Aeroports de Paris	Europe	Industrials	Tourism	1,666	1.1
KB Financial Group	Emerging	Financials	Emerging Market Consumer	1,629	1.0
IPG Photonics	North America	Information Technology	Automation	1,587	1.0
<b>Top 60 investments</b>				<b>154,273</b>	<b>98.3</b>
AIA Group	Developed Asia	Financials	Retiree Spending Power	1,559	1.0
Teradyne	North America	Information Technology	Automation	1,314	0.8
Secure Income (REIT)	UK	Real Estate	High Quality Assets	1,212	0.8
SBI Holdings	Japan	Financials	Online Services	1,154	0.7
Ctrip.com	Emerging	Consumer Discretionary	Tourism	1,014	0.7
ICICI Prudential	Emerging	Financials	Retiree Spending Power	789	0.5
Ferro Alloy Resources <sup>1</sup>	Emerging	Materials	Unlisted investments	–	–
<b>Total investments (67)</b>				<b>161,315</b>	<b>102.8</b>
Net current assets (excluding credit facility)				851	0.5
Amount drawn on credit facility				(5,175)	(3.3)
<b>Total net assets</b>				<b>156,991</b>	<b>100.0</b>

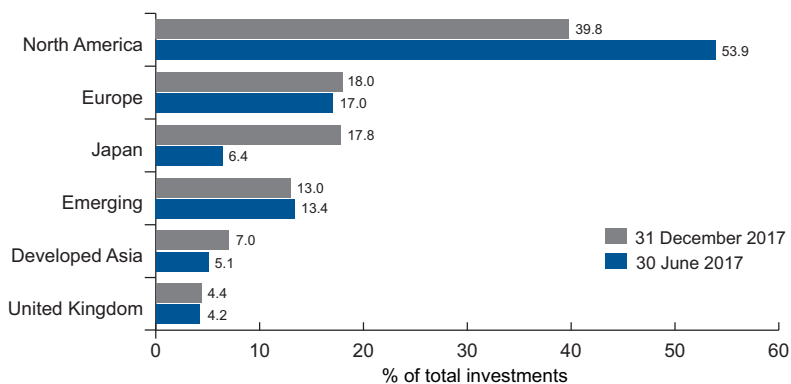
<sup>1</sup> Unquoted security.

## Thematic and regional analysis of investments

### Thematic analysis



### Regional analysis



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

The Directors confirm that to the best of their knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 December 2017:

- the condensed set of financial statements has been prepared in accordance with Financial Reporting Standard ('FRS') 104: 'Interim Financial Reporting';
- having considered the expected cash flows and operational costs of the Company for the 18 months from the period end, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis of accounting continues to be used in the preparation of the Half-Yearly Financial Report;
- the Chairman's statement to shareholders and Investment Manager's review includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on

the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

- (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

The Half-Yearly Financial Report for the six months ended 31 December 2017 was approved by the Board and the above responsibility statement has been signed on its behalf by:

**Malcolm Scott**  
Chairman

22 February 2018

## Condensed statement of comprehensive income

	Note	For the six months ended 31 December 2017 (unaudited)			For the six months ended 31 December 2016 (unaudited)			For the year ended 30 June 2017 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	11,469	11,469	–	13,862	13,862	–	22,932	22,932
Currency gains/(losses)		–	238	238	–	(372)	(372)	–	(496)	(496)
Income		1,331	–	1,331	759	–	759	2,230	–	2,230
Investment management fee		(95)	(284)	(379)	(76)	(228)	(304)	(160)	(480)	(640)
Other expenses		(107)	(3)	(110)	(94)	(10)	(104)	(195)	(12)	(207)
<b>Net return before finance costs and taxation</b>		<b>1,129</b>	<b>11,420</b>	<b>12,549</b>	<b>589</b>	<b>13,252</b>	<b>13,841</b>	<b>1,875</b>	<b>21,944</b>	<b>23,819</b>
Finance costs of borrowings		(17)	(51)	(68)	(15)	(45)	(60)	(29)	(89)	(118)
<b>Net return on ordinary activities before taxation</b>		<b>1,112</b>	<b>11,369</b>	<b>12,481</b>	<b>574</b>	<b>13,207</b>	<b>13,781</b>	<b>1,846</b>	<b>21,855</b>	<b>23,701</b>
Taxation on ordinary activities		(114)	–	(114)	(78)	–	(78)	(193)	–	(193)
<b>Net return on ordinary activities after taxation</b>		<b>998</b>	<b>11,369</b>	<b>12,367</b>	<b>496</b>	<b>13,207</b>	<b>13,703</b>	<b>1,653</b>	<b>21,855</b>	<b>23,508</b>
<b>Net return per ordinary share</b>	<b>2</b>	<b>3.05p</b>	<b>34.80p</b>	<b>37.85p</b>	<b>1.66p</b>	<b>44.13p</b>	<b>45.79p</b>	<b>5.41p</b>	<b>71.56p</b>	<b>76.97p</b>

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

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

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

## Condensed statement of financial position

	Note	As at 31 December 2017 (unaudited) £'000	As at 31 December 2016 (unaudited) £'000	As at 30 June 2017 (audited) £'000
<b>Non current assets</b>				
Investments held at fair value through profit or loss	5	<u>161,315</u>	<u>128,886</u>	<u>142,655</u>
<b>Current assets</b>				
Debtors		313	168	900
Cash and cash equivalents		<u>825</u>	<u>5,800</u>	<u>3,819</u>
		<u>1,138</u>	<u>5,968</u>	<u>4,719</u>
<b>Creditors</b>				
Amounts falling due within one year	4	<u>(5,462)</u>	<u>(9,327)</u>	<u>(4,316)</u>
<b>Net current (liabilities)/assets</b>		<u>(4,324)</u>	<u>(3,359)</u>	<u>403</u>
<b>Total net assets</b>		<b>156,991</b>	<b>125,527</b>	<b>143,058</b>
<b>Capital and reserves</b>				
Called up share capital	6	1,645	1,520	1,627
Capital redemption reserve		16	16	16
Share premium		30,816	20,087	29,144
Capital reserve		122,184	102,167	110,815
Revenue reserve		2,330	1,737	1,456
<b>Shareholders' funds</b>		<b>156,991</b>	<b>125,527</b>	<b>143,058</b>
<b>Net asset value per ordinary share</b>		<b>477.30p</b>	<b>412.89p</b>	<b>439.75p</b>

## Condensed statement of changes in equity

	Note	For the six months ended 31 December 2017 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2017		1,627	16	29,144	110,815	1,456	143,058
Net return on ordinary activities after taxation		–	–	–	11,369	998	12,367
Issue of new shares	6	18	–	1,671	–	–	1,689
Reduction to expense related to listing of shares		–	–	1	–	–	1
Dividend paid		–	–	–	–	(124)	(124)
<b>Shareholders' funds at 31 December 2017</b>		<b>1,645</b>	<b>16</b>	<b>30,816</b>	<b>122,184</b>	<b>2,330</b>	<b>156,991</b>

	Note	For the six months ended 31 December 2016 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2016		1,456	16	15,205	88,851	2,098	107,626
Net return on ordinary activities after taxation		–	–	–	13,207	496	13,703
Transfer of prior year expenses related to issue of the prospectus		–	–	(109)	109	–	–
Expenses related to issue of the prospectus		–	–	(2)	–	–	(2)
Expense related to listing of shares		–	–	(21)	–	–	(21)
Issue of new shares	6	64	–	5,014	–	–	5,078
Dividend paid		–	–	–	–	(857)	(857)
<b>Shareholders' funds at 31 December 2016</b>		<b>1,520</b>	<b>16</b>	<b>20,087</b>	<b>102,167</b>	<b>1,737</b>	<b>125,527</b>

	Note	For the year ended 30 June 2017 (audited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve <sup>1,2</sup> £'000	Revenue reserve <sup>2</sup> £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2016		1,456	16	15,205	88,851	2,098	107,626
Net return on ordinary activities after taxation		–	–	–	21,855	1,653	23,508
Issue of new shares	6	171	–	14,313	–	–	14,484
Transfer of prior year expenses related to issue of the prospectus		–	–	(109)	109	–	–
Expense related to listing of shares		–	–	(23)	–	–	(23)
Expense related to placing and issue of new shares		–	–	(242)	–	–	(242)
Dividends paid		–	–	–	–	(2,295)	(2,295)
<b>Shareholders' funds at 30 June 2017</b>		<b>1,627</b>	<b>16</b>	<b>29,144</b>	<b>110,815</b>	<b>1,456</b>	<b>143,058</b>

<sup>1</sup> Capital reserve as at 31 December 2017 includes unrealised gains of £21,919,000 (31 December 2016: £15,799,000; 30 June 2017: £19,689,000).

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



## Condensed statement of cash flows

	Note	For the six months ended 31 December 2017 (unaudited) £'000	For the six months ended 31 December 2016 (unaudited) £'000	For the year ended 30 June 2017 (audited) £'000
<b>Cash used in operations</b>		573	556	1,494
Interest received		15	12	32
Interest paid		(68)	(60)	(118)
<b>Net cash generated from operating activities</b>		520	508	1,408
<b>Cash flow from investing activities</b>				
Purchase of investments		(83,481)	(96,707)	(188,105)
Sale of investments		77,039	90,066	176,013
Realised currency gains/(losses)		30	270	(250)
<b>Net cash used in investing activities</b>		(6,412)	(6,371)	(12,342)
<b>Cash flow from financing activities</b>				
Issue of new shares	6	1,689	5,078	14,484
Drawdown/(repayment) of credit facility		1,533	3,205	(1,835)
Expenses related to issue of the prospectus		(202)	(5)	(5)
Expense related to listing of shares		–	(21)	(23)
Dividends paid		(124)	(857)	(2,295)
<b>Net cash generated from financing activities</b>		2,896	7,400	10,326
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,996)</b>	<b>1,537</b>	<b>(608)</b>
<b>Cash and cash equivalents at start of the period</b>		3,819	4,427	4,427
(Decrease)/increase in cash in the period		(2,996)	1,537	(608)
Unrealised currency gains/(losses) on cash and cash equivalents		2	(164)	–
<b>Cash and cash equivalents at end of the period</b>		<b>825</b>	<b>5,800</b>	<b>3,819</b>

## Notes to the Half-Yearly Financial Report

### 1 Accounting policies

The condensed financial statements for the six months to 31 December 2017 comprise the statements set out on pages 12 to 15 together with the related notes on pages 16 and 18. The financial statements have been prepared in accordance with the Company's accounting policies as set out in the Annual Financial Report for the year ended 30 June 2017 and are presented in accordance with the Companies Act 2006 (the 'Act'), FRS 104 and the requirements of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued by the Association of Investment Companies (the 'AIC') in November 2014 and updated in January 2017.

The financial information contained within this Half-yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Act. The financial information for the year ended 30 June 2017 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Act.

### 2 Return per share

Return per share has been calculated based on the weighted average number of ordinary shares in issue for the six months ended 31 December 2017 being 32,668,713 (31 December 2016: 29,929,531; 30 June 2017: 30,542,647).

### 3 Dividends

An interim dividend for the six months ended 31 December 2017 of 1.80 pence per ordinary share (31 December 2016: 1.70 pence) has been declared. This dividend will be paid on 5 April 2018 to those shareholders on the register at close of business on 9 March 2018.

### 4 Borrowing facilities

The Company has entered into a three year US\$16 million revolving credit facility with Scotiabank, of which US\$ 7.0 million (£5.2 million) was drawn down at 31 December 2017 (31 December 2016: US\$11.3 million (£9.1 million); 30 June 2017: US\$5.0 million (£3.8 million)). This is recognised in amounts falling due within one year in the condensed statement of financial position. Interest is charged at variable rates equivalent to 0.9% over the US Dollar London interbank market rate. The interest rate as at 31 December 2017 was 2.452130% (31 December 2016: 1.644%; 30 June 2017: 2.116110%).

On 19 February 2018 the above credit facility with Scotiabank matured. The Company subsequently entered into a three year US\$30 million multi-currency revolving credit facility with Scotiabank.

## 5 Fair value hierarchy

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

The disclosure is split into the following categories:

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

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

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

	31 December 2017 £'000	31 December 2016 £'000	30 June 2017 £'000
Level 1	161,315	128,886	142,575
Level 2	–	–	80
<b>Total value of investments</b>	<b>161,315</b>	<b>128,886</b>	<b>142,655</b>

## 6 Share capital

As at 31 December 2017 there were 32,891,416 ordinary shares in issue (31 December 2016: 30,401,952; 30 June 2017: 32,531,416).

In the six months ended 31 December 2017 360,000 ordinary shares were allotted with total proceeds of £1,689,000 (six months ended 31 December 2016: 1,290,116 ordinary shares were allotted with total proceeds of £5,078,000; year ended 30 June 2017: 3,419,580 ordinary shares were allotted with total proceeds of £14,484,000).

There are no ordinary shares held in treasury.

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

### 7 Related party transactions

There were no related party transactions during the period.

### 8 Transactions with the Investment Manager

The investment management fee payable to Artemis Fund Managers Limited for the six months ended 31 December 2017 was £379,000 (31 December 2016: £304,000; 30 June 2017: £640,000) of which £193,000 was outstanding at the period end (31 December 2016: £155,000; 30 June 2017: £173,000).

### 9 Principal risks and uncertainties

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

These risks, which have not materially changed since the Annual Financial Report for the year ended 30 June 2017, 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 adviser 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

LEI: 549300D32517C2M3A561

### Capital Gains Tax

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

### Share register enquiries

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

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

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

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

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

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

### Dividend reinvestment plan

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

### Tax information reporting

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

## Information for shareholders (continued)

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

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

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: [gov.uk/government/publications/exchange-of-information-account-holders](http://gov.uk/government/publications/exchange-of-information-account-holders).

### Financial advisers and retail investors

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

### Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share price is listed in the Financial Times and also on the TrustNet website ([trustnet.com](http://trustnet.com)). Further information can be found on the Company's website ([midwynd.co.uk](http://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: [midwyndchairman@artemisfunds.com](mailto:midwyndchairman@artemisfunds.com).

### Reporting calendar

#### Year End

30 June

#### Results announced

Interim: February  
Annual: September

#### Dividends payable

April and November

#### Annual General Meeting

November

## General information

### Directors

Malcolm Scott (Chairman)  
David Kidd  
Harry Morgan  
Russell Napier  
Alan Scott

### 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

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: [artemisfunds.com](http://artemisfunds.com)

### Registrar

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

Calls to this number cost 2 pence per minute plus network extras. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday.  
Website: [investorcentre.co.uk](http://investorcentre.co.uk)

### Administrator

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

### Depositary

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

### Banker & Custodian

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

### Auditor

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

### Broker

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



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