

Mid Wynd
International
Investment Trust *PLC*

Half-Yearly Financial Report
for the six months ended
31 December 2018



ARTEMIS
The PROFIT Hunter

Contents

Objective and investment policy	1
Financial highlights	2
Chairman's statement	3
Investment Manager's review	5
Investments	8
Thematic and regional analysis of investments	10
Responsibility statement of the Directors in respect of the Half-Yearly Financial Report	11
Condensed statement of comprehensive income	12
Condensed statement of financial position	13
Condensed statement of changes in equity	14
Condensed statement of cash flows	15
Notes to the Half-Yearly Financial Report	16
Information for shareholders	19
Glossary	21
General information	23

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.

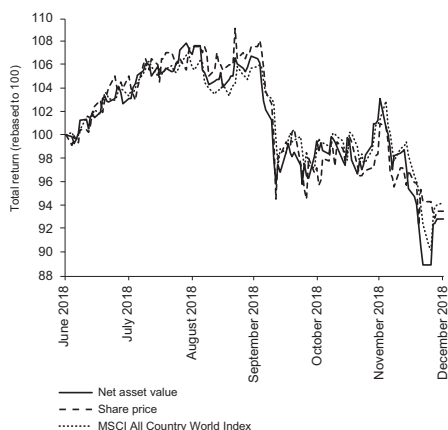
Financial highlights

	Six months ended 31 December 2018	Six months ended 31 December 2017
Total returns		
Net asset value per share [†]	(7.0)%	8.6%
Share price [†]	(5.9)%	11.1%
MSCI All Country World Index	(5.7)%	6.8%
Revenue and dividends		
Revenue earnings per share	2.36p	3.05p
Dividends per share*	1.98p	1.80p
Ongoing charges [†]	0.7%	0.7%
Capital	As at 31 December 2018	As at 31 December 2017
Net asset value per share	455.49p	477.30p
Share price	465.00p	489.38p
Net gearing/(cash) [†]	0.8%	(2.9)%

* The interim dividend for the six months to 31 December 2018 will be paid on 29 March 2019 to shareholders on the register at the close of business on 15 March 2019.

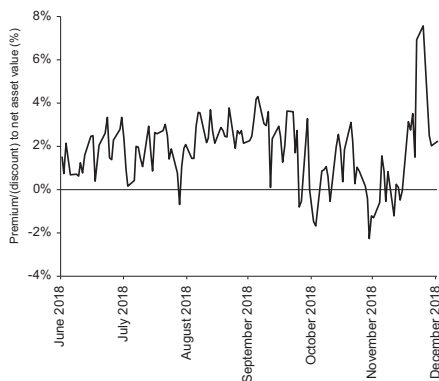
[†] Alternative Performance Measure (see page 21).

Performance for the six months ended 31 December 2018



Source: Datastream/Morningstar.

(Discount)/premium during the six months ended 31 December 2018



Source: Datastream/Morningstar.

Total returns to 31 December 2018	3 years	Since 1 May 2014**	5 years	10 years
Net asset value per share [†]	40.0%	76.1%	71.2%	239.7%
Share price [†]	41.3%	82.0%	77.9%	338.5%
MSCI All Country Index	40.2%	60.0%	60.2%	178.7%

Source: Artemis/Datastream/Morningstar.

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

[†] Alternative Performance Measure (see page 21).

Chairman's statement

Performance

For the six months ended 31 December 2018 the Company's share price fell by 5.9%, on a total return basis with dividends assumed to be re-invested. This compares to a negative total return from the MSCI All Country World Index (GBP) of 5.7%.

The Company's net asset value per share decreased by 7.7%, in capital only terms, and by 7.0% on a total return basis. Since Artemis' appointment, as Investment Manager on 1 May 2014, the net asset value per share has increased by 76.1%, on a total return basis, against the benchmark's increase of 60.1%.

As at 31 December 2018 the shares stood at a 2.1% premium to net asset value.

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

Earnings and Dividend

The net return for the six months to 31 December 2018 was a loss of 35.57 pence per share, comprising a revenue gain of 2.36 pence per share and a capital loss of 37.78 pence per share. The Board is proposing an interim dividend of 1.98 pence per share which, will be paid on 29 March 2019 to those shareholders on the register at the close of business on 15 March 2019. This represents an increase of 10.0% on last year's interim dividend of 1.80 pence. It continues to be the aim of the Board to grow the dividend but this will not be done at the expense of capital or if market conditions dictate otherwise.

Share capital

Since June 2018 when the Company's shares were promoted to the FTSE SmallCap Index, part of the FTSE All-Share Index, demand for

the Company's shares has been strong and they have typically traded at a premium to net asset value.

The Board is pleased to report that for the period from 1 July 2018 to 31 December 2018, 1,800,000 new ordinary shares have been issued in the market, raising £9.2 million. This represents an increase of 4.83% of the share capital at the start of the year. As at signing date a further 490,000 new ordinary shares have been issued.

Borrowings

The Company has in place a three year, US\$30 million multi-currency facility with Scotiabank. This is due to expire 19 February 2021. During December 2018, amounts of US\$3.0m and €3.0m were drawn down. As at 31 December 2018, this equated to £5.0m. This facility provides flexibility for the Investment Manager to take advantage of attractive markets.

Outlook

The six months to 31 December 2018, and in particular the last quarter, has been a volatile period for equity investments. The uncertainties discussed in the Annual Report persist with no clear end as yet to the geo-political ramifications of Brexit. We do find ourselves, however, looking at solidly attractive equity valuations amongst our holdings and an overall equity market back at comforting levels. We can therefore afford to be more positive about the prospects for the next year. Balance is the watchword given the potential for swings in world markets. With this in mind, we are continuing to focus on a balanced and diversified defensive portfolio with strong asset backings as well as earnings potential.

Chairman's statement (continued)

Contact us

Shareholders can keep up to date with developments between formal reports by visiting midwynd.com where you will find information on the Company and a factsheet which is updated monthly. In addition, the Board is always keen to hear from shareholders.

Should you wish to, you can e-mail the Chairman at midwyndchairman@artemisfunds.com.

Malcolm Scott
Chairman

1 March 2019

Investment Manager's review

Review

Stockmarkets fell over the period, with particularly poor performance in the last quarter of the year. In reaction to slowing growth in the US and China many investors took profits across the board. Although we had prepared the portfolio by selling some of the more expensive holdings, the Company was not immune to the market's correction and its net asset value (NAV) fell by around 7.0% while the MSCI AC World Index fell 5.7%. Given lower share prices and positive results from companies, we are now less concerned about valuations. And with some of the speculative excess having been taken out of the market, prospects for a continued bull market are improved. Indeed, in the first weeks of the new year we have seen a rebound.

Issues over trade and the unpredictable nature of politics both at home and abroad may cause further turbulence. Accordingly, this has become a larger factor in managing the fund. So we have positioned the portfolio a little more defensively than fundamental valuations suggest and have increased our range of holdings in strong, defensive stocks that are relatively unrelent on benign economic conditions.

Performance

The Company's largest exposure – to companies that can deliver affordable healthcare – performed well over the period, despite facing significant profit-taking late in the year. Also our Scientific Equipment investments performed well, despite the threat of becoming tangled in trade disputes. It is particularly pleasing to see Boston Scientific as the leading contributor, having been the biggest detractor from performance last year. Investment is a long-term occupation.

Our Automation theme, which had contributed strongly to returns last year, saw orders delayed this year, mainly because of the US-China trade dispute. However, prospects for automation longer term are now much stronger as companies respond to tariffs by automating their supply chain and offshore manufacturing.

Five largest stock contributors

Company	Theme	Contribution (%)
Boston Scientific	Healthcare Costs	0.4
Anthem	Healthcare Costs	0.4
PerkinElmer	Scientific Equipment	0.4
Thermo Fisher Scientific	Scientific Equipment	0.4
Agilent Technologies	Scientific Equipment	0.3

Five largest stock detractors

Company	Theme	Contribution (%)
IPG Photonics	Automation	(0.6)
Unibail-Rodamco-Westfield	High Quality Assets	(0.5)
Apple	Screen Time	(0.5)
Harmonic Drive Systems	Automation	(0.4)
Japan Airport Terminal	Tourism	(0.3)

Artemis' investment process

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

Current investment themes

Healthcare Costs (18% of investments) – While this was the best contributor to performance over the period, this strength meant many holdings faced profit-taking late in the year. The major private insurance companies continue to deliver high-quality care without premiums rising too rapidly. This area remains politically

Investment Manager's review (continued)

contentious in the US and will, no doubt, see grandstanding as the next election approaches. Yet we still think the private sector seems to do a better job of cost control than the state for the majority of Americans.

Scientific Equipment (8% of investments) – Our investments in scientific equipment have continued to produce consistent growth. But valuations have become stretched in places. We reduced our exposure here by taking profits in Waters.

Automation (15% of investments) – This theme suffered from delayed orders as the US-China trade clash continued. We have, however, found evidence that longer-term automation plans are increasing as companies automate their offshore production to offset the cost of tariffs. When many companies established offshore manufacturing (often decades ago) the plants used relatively cheap labour. This labour is no longer cheap and so factories in countries such as Mexico and China were due for increased automation. Timing, of course, is everything – some of our Japanese investments have seen their share prices halve this year. We are adding to our holdings at these attractive levels, but slowly and cautiously; the US president does not always act as common sense might suggest.

Online Services (14% of investments) – Our disciplined approach to valuation led us to sell many of our successful holdings in this area over the last year. We had also become concerned about the governance of some companies – notably Facebook. In the recent market turbulence we benefited from no longer having Facebook, Tencent or Netflix in the portfolio. Amazon's share price is still above the level at which we sold. Again, we prefer to invest where we feel there is good support for the valuation and we still do not find it here. Our remaining investments saw profit-taking over the last quarter but, on our analysis, companies such as Mastercard and Microsoft are much more strongly supported by cash flows than the other fashionable stocks in this area.

Emerging Market Consumer (10% of investments) – We have deliberately reduced our exposure to emerging markets as they often struggle when the US raises interest rates. Over the third quarter of the year, this was a successful policy, but over the last quarter we have started to increase exposure again as the threat from rising US rates receded. We still struggle to find good value investing directly in emerging markets, but we have added some investments such as Prudential whose growing Asian business makes up for the dull prospects from its UK businesses.

Tourism (11% of investments) – Our tourism theme had a dull period, with Japan Airport Terminal suffering when a major typhoon damaged its airport outside Osaka. Also, Beijing's second airport is now expected to take passengers more rapidly from the city's other airport (owned by our holding Beijing Capital International Airport) and extra flight paths are only slowly being released by the Chinese military. We are wary of such government action against the interests of foreign shareholders and have therefore reduced our exposure.

Screen Time (12% of investments) – Over the last six months, we sold our remaining holdings in our Retiree Spending Power theme, but started a new theme based on the seemingly unstoppable rise in the amount of time we spend looking at screens. This now dominates how products are promoted, how data is collected and services delivered. We are highly unlikely to reduce our payments for connections to the internet with good bandwidth, even during economic downturns. Our investments therefore focus on providers of broadband: AT&T and Comcast in the US and Singapore Telecommunications and Nippon Telegraph & Telephone in Japan. These investments trade on very modest earnings and cash flow multiples, while giving the portfolio balance in markets sensitive to fears of recession.

High Quality Assets (13% of investments) – We have aimed to balance our ‘growth’ investments with more defensive and/or asset-backed investments. This should help protect capital somewhat when markets become more difficult. Asset-backed stocks held up well in the bear markets of 2008, 2000-3, 1987 and 1973-4. Markets have not always recognised the attractiveness of some of these investments and our investment in Unibail-Rodamco-Westfield, Europe’s largest property company, fell more than the market during the recent turbulence. We will be patient.

Thematic attribution

Theme	Contribution (%)
Healthcare Costs	0.3
Scientific Equipment	0.2
Emerging Market Consumer	0.0
Retiree Spending Power	(0.3)
Tourism	(1.0)
Screen Time	(1.2)
Online Services	(1.3)
High Quality Assets	(1.7)
Automation	(1.9)

Regional attribution

Region	Contribution (%)
North America	0.3
UK	0.3
Developed Asia	0.2
Emerging Markets	(0.3)
Europe	(0.8)
Japan	(0.9)

Outlook

Markets have been turbulent in recent months. Yet many of the greater threats to the markets’ levels are now behind us. We have seen the effect of the end of quantitative easing – indeed this may have pulled the rug from beneath equities in the last six months. We have also seen the US economy grow rapidly and be stimulated, but interest rates have only risen modestly and inflation is still very subdued.

Indeed European economies still seem prone to deflation. Lastly, emerging markets have slowed, notably China, but rising US interest rates have not caused the emerging market crises so common in the past.

President Trump’s administration is following a dangerous and unwise policy on trade. Threatening China will only speed up and embolden its ‘Made in China’ strategy – it makes sense for this emerged economy to rely less on exports. Tensions with Europe now seem likely to rise with threats of tariffs on European cars, challenges on barriers to US farm exports and European anti-trust policies against US technology companies. At the same time, President Trump hopes to be re-elected in 2020 and seems unlikely to risk trade issues damaging the creation of US jobs in the run-up to that campaign.

The slowdown in Chinese imports may also affect the German economy. Together with the UK potentially departing the EU, that leaves fewer strong economies to balance continued problems in Italy and Greece. Much has been written about the effect on the UK economy of Brexit, more will now be written about how changed relations with the UK could make existing economic challenges faced by Europe worse.

We hope that trade disputes will be resolved as common sense and prudent economics would suggest. In that case, valuations seem attractive and growth prospects still fair. However, with political factors playing a greater role, we have positioned the portfolio more defensively than fundamentals might suggest. In this way, we believe we should achieve very attractive further real returns over the next few years, while protecting our investors from the worst of falls should politics get in the way of business.

Simon Edelsten, Alex Illingworth & Rosanna Burcheri

Fund Managers

1 March 2019

Investments

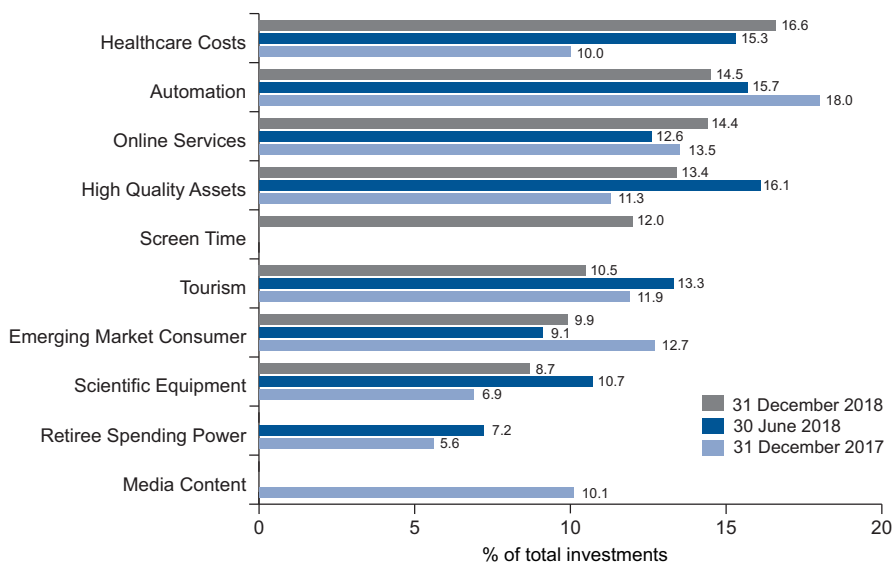
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Equities					
Louis Vuitton	Europe	Consumer Discretionary	Emerging Market	4,961	2.8
Moët Hennessy			Consumer		
Microsoft	North America	Information Technology	Online Services	4,665	2.6
Boston Scientific	North America	Health Care	Healthcare Costs	4,489	2.5
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	4,304	2.4
Norfolk Southern	North America	Industrials	High Quality Assets	4,303	2.4
AT&T	North America	Communication Services	Screen Time	4,237	2.4
Avery Dennison	North America	Materials	Emerging Market	4,129	2.3
			Consumer		
Mastercard	North America	Information Technology	Online Services	4,110	2.3
Unibail-Rodamco-Westfield (REIT)	Europe	Real Estate	High Quality Assets	4,035	2.3
UnitedHealth Group	North America	Health Care	Healthcare Costs	4,027	2.3
Top 10 investments				43,260	24.3
Nippon Telegraph & Telephone	Japan	Communication Services	Screen Time	3,966	2.2
Comcast	North America	Communication Services	Screen Time	3,958	2.2
Accenture	North America	Information Technology	Online Services	3,898	2.2
Alphabet	North America	Communication Services	Online Services	3,887	2.2
Anthem	North America	Health Care	Healthcare Costs	3,863	2.2
Diageo	UK	Consumer Staples	Emerging Market	3,768	2.1
			Consumer		
Hexagon	Europe	Information Technology	Automation	3,756	2.1
Apple	North America	Information Technology	Screen Time	3,741	2.1
Agilent Technologies	North America	Health Care	Scientific Equipment	3,705	2.1
Daifuku	Japan	Industrials	Automation	3,553	2.0
Top 20 investments				81,355	45.7
Union Pacific	North America	Industrials	High Quality Assets	3,547	2.0
PerkinElmer	North America	Health Care	Scientific Equipment	3,443	1.9
Fresenius Medical Care	Europe	Health Care	Healthcare Costs	3,403	1.9
Bunzl	UK	Industrials	High Quality Assets	3,373	1.9
Amadeus IT	Europe	Information Technology	Tourism	3,313	1.9
Singapore Telecommunications	Developed Asia	Communication Services	Screen Time	3,230	1.8
Synopsys	North America	Information Technology	Automation	3,206	1.8
Humana	North America	Health Care	Healthcare Costs	3,172	1.8
Siemens Healthineers	Europe	Health Care	Healthcare Costs	3,172	1.8
Visa	North America	Information Technology	Online Services	3,156	1.8
Top 30 investments				114,370	64.3

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Omron	Japan	Information Technology	Automation	3,116	1.8
ICADE (REIT)	Europe	Real Estate	High Quality Assets	3,104	1.7
Equinix	North America	Real Estate	Online Services	3,014	1.7
Keyence	Japan	Information Technology	Automation	2,908	1.6
Aena SME	Europe	Industrials	Tourism	2,895	1.6
Prudential	UK	Financials	Emerging Market Consumer	2,864	1.6
Premier	North America	Health Care	Healthcare Costs	2,795	1.6
Grifols	Europe	Health Care	Healthcare Costs	2,738	1.5
Charles Schwab	North America	Financials	Online Services	2,581	1.5
Japan Airport Terminal	Japan	Industrials	Tourism	2,579	1.5
Top 40 investments				142,964	80.4
Bank of China	Emerging Markets	Financials	High Quality Assets	2,566	1.4
Weyerhaeuser	North America	Real Estate	High Quality Assets	2,537	1.4
Cadence Design Systems	North America	Information Technology	Automation	2,443	1.4
Hitachi High-Technologies	Japan	Information Technology	Scientific Equipment	2,400	1.4
IPG Photonics	North America	Information Technology	Automation	2,349	1.3
Harmonic Drive Systems	Japan	Industrials	Automation	2,332	1.3
Sydney Airport	Developed Asia	Industrials	Tourism	2,170	1.2
CapitaLand Mall Trust (REIT)	Developed Asia	Real Estate	Tourism	2,010	1.1
Live Nation Entertainment	North America	Consumer Discretionary	Screen Time	1,906	1.1
Beijing Capital International Airport	Emerging Markets	Industrials	Tourism	1,878	1.1
Top 50 investments				165,555	93.1
Booking	North America	Consumer Discretionary	Tourism	1,836	1.0
Amorepacific	Emerging Markets	Consumer Staples	Emerging Market Consumer	1,797	1.0
Cognex	North America	Information Technology	Automation	1,709	1.0
Aéroports de Paris	Europe	Industrials	Tourism	1,692	1.0
Intuitive Surgical	North America	Health Care	Scientific Equipment	1,446	0.8
ResMed	North America	Health Care	Healthcare Costs	867	0.5
Quidel	North America	Health Care	Healthcare Costs	613	0.3
Ferro-Alloy Resources ¹	Emerging Markets	Materials	Unquoted Investments	–	–
Total equity investments (58)				175,515	98.7
Net current assets (excluding bank loans)				7,229	4.1
Bank loan				(5,048)	(2.8)
Total net assets				177,696	100.0

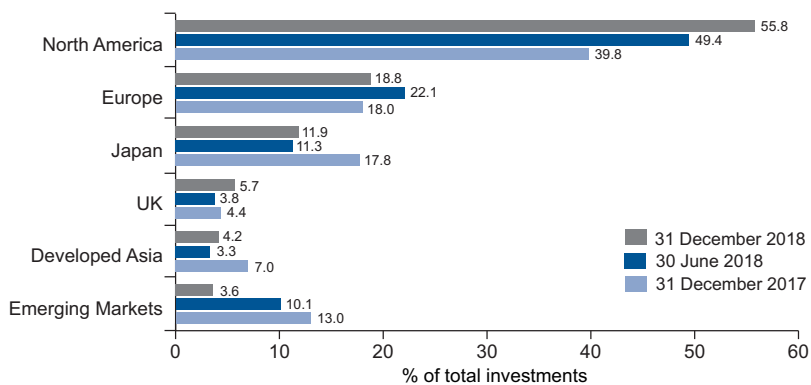
¹ Unquoted security.

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 2018:

- 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 2018 was approved by the Board and the above responsibility statement has been signed on its behalf by:

Malcolm Scott
Chairman

1 March 2019

Condensed statement of comprehensive income

	Note	For the six months ended 31 December 2018 (unaudited)			For the six months ended 31 December 2017 (unaudited)			For the year ended 30 June 2018 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gains on sales of investments		–	(14,137)	(14,137)	–	11,469	11,469	–	15,885	15,885
Currency gains		–	74	74	–	238	238	–	384	384
Income		1,300	–	1,300	1,331	–	1,331	3,144	–	3,144
Investment management fee		(121)	(363)	(484)	(95)	(284)	(379)	(200)	(600)	(800)
Other expenses		(131)	(35)	(166)	(107)	(3)	(110)	(254)	(14)	(268)
Net return/(loss) before finance costs and taxation		1,048	(14,461)	(13,413)	1,129	11,420	12,549	2,690	15,655	18,345
Finance costs of borrowings		(9)	(28)	(37)	(17)	(51)	(68)	(36)	(109)	(145)
Net return/(loss) on ordinary activities before taxation		1,039	(14,433)	(13,450)	1,112	11,369	12,481	2,654	15,546	18,200
Taxation on ordinary activities		(137)	–	(137)	(114)	–	(114)	(253)	–	(253)
Net return/(loss) on ordinary activities after taxation		902	(14,433)	(13,587)	998	11,369	12,367	2,401	15,546	17,947
Net return/(loss) per share	2	2.36p	(37.78)p	(35.57)p	3.05p	34.80p	37.85p	7.14p	46.20p	53.34p

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

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

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

Condensed statement of financial position

	Note	As at 31 December 2018 (unaudited) £'000	As at 31 December 2017 (unaudited) £'000	As at 30 June 2018 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	5	175,515	161,315	179,699
Current assets				
Debtors		801	313	772
Cash and cash equivalents		7,896	825	9,350
		8,697	1,138	10,122
Creditors				
Amounts falling due within one year	4	(6,516)	(5,462)	(6,284)
Net current assets/(liabilities)		2,181	(4,324)	3,838
Total net assets		177,696	156,991	183,537
Capital and reserves				
Called up share capital	6	1,951	1,645	1,861
Capital redemption reserve		16	16	16
Share premium		61,265	30,816	52,173
Capital reserve		111,872	122,184	126,361
Revenue reserve		2,592	2,330	3,126
Shareholders' funds		177,696	156,991	183,537
Net asset value per ordinary share		455.50p	477.30p	493.23p

Condensed statement of changes in equity

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

	Note	For the six months ended 31 December 2017 (unaudited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve ^{1,2} £'000	Revenue reserve ² £'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	–	1,672	–	–	1,690
Dividend paid		–	–	–	–	(124)	(124)
Shareholders' funds at 31 December 2017		1,645	16	30,816	122,184	2,330	156,991

	Note	For the year ended 30 June 2018 (audited)					
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve ^{1,2} £'000	Revenue reserve ² £'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		–	–	–	15,546	2,401	17,947
Issue of new shares	6	234	–	23,029	–	–	23,263
Dividends paid		–	–	–	–	(731)	(731)
Shareholders' funds at 30 June 2018		1,861	16	52,173	126,361	3,126	183,537

¹ Capital reserve as at 31 December 2018 includes unrealised gains of £4,690,000 (31 December 2017: £21,919,000; 30 June 2018: £20,253,000).

² These reserves form the distributable reserves of the Company.

Condensed statement of cash flows

	Note	For the six months ended 31 December 2018 (unaudited) £'000	For the six months ended 31 December 2017 (unaudited) £'000	For the year ended 30 June 2018 (audited) £'000
Cash generated in operations		570	573	1,610
Interest received		49	15	39
Interest paid		(37)	(68)	(144)
Net cash generated/(used) from operating activities		12	(53)	(105)
Cash flow from investing activities				
Purchase of investments		(131,576)	(83,481)	(192,944)
Sale of investments		121,274	77,039	174,063
Realised currency gains		113	30	146
Net cash used in investing activities		(10,189)	(6,412)	(18,735)
Cash flow from financing activities				
Issue of new shares, net of costs	6	9,021	1,487	22,668
Drawdown of credit facility		582	1,533	808
Dividends paid		(1,436)	(124)	(731)
Credit facility renewal fee		1	–	(7)
Net cash generated from financing activities		8,168	2,896	22,738
Net (decrease)/increase in cash and cash equivalents		(1,439)	(2,996)	5,508
Cash and cash equivalents at start of the period		9,350	3,819	3,819
(Decrease)/increase in cash in the period		(1,439)	(2,996)	5,508
Unrealised currency (losses)/gains on cash and cash equivalents		(15)	2	23
Cash and cash equivalents at end of the period		7,896	825	9,350

Notes to the Half-Yearly Financial Report

1 Accounting policies

The condensed financial statements for the six months to 31 December 2018 comprise the statements set out on pages 12 to 15 together with the related notes on pages 16 to 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 2018 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 February 2018.

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 2018 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Act.

2 Return per share

Return per share has been calculated based on the weighted average number of ordinary shares in issue for the six months ended 31 December 2018 being 38,199,568 (31 December 2017: 32,668,713; 30 June 2018: 33,647,608).

3 Dividends

An interim dividend for the six months ended 31 December 2018 of 1.98 per ordinary share (31 December 2017: 1.80 pence) has been declared. This dividend will be paid on 29 March 2019 to those shareholders on the register at close of business on 15 March 2019.

4 Borrowing facilities

The Company has entered into a three year agreement with Scotiabank (Ireland) Designated Activity Company for a US\$30 million multi-currency revolving credit facility on revised terms to February 2021, of which US\$3.0 million (£2.4 million) was drawn down at 31 December 2018 (31 December 2017: US\$7.0 million (£5.2 million); 30 June 2018: US\$3.6 million (£2.7 million)) and €3.0 million (£2.7 million) was drawn down at 31 December 2018 (31 December 2017: nil; 30 June 2018: €1.2 million (£1.1 million)). On 23 August 2018 the Company repaid the ¥95.6 million (£0.7 million) which was drawn down at 30 June 2018. These amounts are recognised in amounts falling due within one year in the condensed statement of financial position.

The Company pays interest separately on each currency drawn down. Interest is charged on each currency at variable rates equivalent to 1.05% over the relevant currency LIBOR i.e. Sterling, US dollar and Japanese yen, and the Euro interbank offered rate (EURIBOR) is used for Euro. The US\$ interest rate applied as at 31 December 2018 was 3.566% (31 December 2017: 2.452%; 30 June 2018: 3.138%). The € interest rate applied as at 31 December 2018 was 1.05% (31 December 2017: nil; 30 June 2018: 1.05%). The ¥ interest rate applied as at 31 December 2018 was nil (31 December 2017: nil; 30 June 2018: 1.05%).

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 2018 £'000	31 December 2017 £'000	30 June 2018 £'000
Level 1	175,515	161,315	179,699
Total financial asset investments	175,515	161,315	179,699

6 Share capital

As at 31 December 2018 there were 39,011,416 ordinary shares in issue (31 December 2017: 32,891,416; 30 June 2018: 37,211,416).

In the six months ended 31 December 2018 1,800,000 ordinary shares were allotted with total proceeds of £9,206,000 (six months ended 31 December 2017: 360,000 ordinary shares were allotted with total proceeds of £1,689,000; year ended 30 June 2018: 4,680,000 ordinary shares were allotted with total proceeds of £23,273,000).

There are no ordinary shares held in treasury.

7 Related party transactions

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

The Directors receive fees for their services. During the six months to 31 December 2018, £56,000 was paid to Directors (31 December 2017: £43,000; 30 June 2018: £112,000) of which £14,000 was outstanding at the period end (31 December 2017: £14,000; 30 June 2018: nil).

Notes to the Half-Yearly Financial Report (continued)

8 Transactions with the Investment Manager

The investment management fee payable to Artemis Fund Managers Limited for the six months ended 31 December 2018 was £484,000 (31 December 2017: £379,000; 30 June 2018: £800,000) of which £233,000 was outstanding at the period end (31 December 2017: £193,000; 30 June 2018: £218,000).

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 2018, and the way in which they are managed, are described in more detail in the Annual Financial Report which is available at midwynd.com.

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.com.

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.

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. 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 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.

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). Further information can be found on the Company's website (midwynd.com), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the e-mail address: midwyndchairman@artemisfunds.com.

Reporting calendar

Year End

30 June

Results announced

Interim: March

Annual: September

Dividends payable

March and November

Annual General Meeting

November

Glossary

Administrator

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

Alternative Investment Fund Managers Directive (AIFMD)

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

Alternative Investment Fund Manager (AIFM)

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

Alternative Performance Measure ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Banker and Custodian

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

Depository

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

Discount/Premium

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

Gearing

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

The Company's position is set out below:

	As at 31 December 2018 £'000	As at 30 June 2018 £'000	As at 31 December 2017 £'000
Total assets	184,212	189,821	162,453
Cash and cash equivalents	(7,896)	(9,350)	(825)
Net assets	176,316	180,471	161,628
(Net cash)/gearing	0.8%	1.7%	(2.9)%

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

Glossary (continued)

Leverage

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

There are two measures of calculating leverage:

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

Net asset value

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

Ongoing charges

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

	As at 31 December 2018 £'000	As at 30 June 2018 £'000	As at 31 December 2017 £'000
Investment management fee	484	800	379
Other expenses	137	268	489
Total expenses	621	1,068	868
Average net assets	179,153	159,658	143,063
Ongoing charges	0.7%	0.7%	0.7%

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

Total return

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

Net asset value total return for the period/year ended

	31 December 2018 p	30 June 2018 p	31 December 2017 p
Opening net asset value	493.23	439.75	439.75
Closing net asset value	455.49	493.23	477.30
Dividends paid during financial period	3.75	2.18	0.38
	(7.0)%	12.7%	8.6%

Share price total return for the period/year ended

	31 December 2018 p	30 June 2018 p	31 December 2017 p
Opening share price	498.00	441.00	441.00
Closing share price	465.00	498.00	489.38
Dividends paid during financial period	3.75	2.18	0.38
	(5.9)%	13.4%	11.1%

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

General information

Directors

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

Registered office

42 Melville Street
Edinburgh EH3 7HA

Website: midwynd.com

Investment Manager, Alternative Investment Fund Manager and Company Secretary

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

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

Tel: 0800 092 2051
Email: investor.support@artemisfunds.com
Website: 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

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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