

**Schroder UK Public  
Private Trust plc**  
**Half Year Report and Accounts**  
**For the six months ended  
30 June 2020**



## Investment objective

The investment objective of Schroder UK Public Private Trust PLC (SUPP or the Company) is to achieve long-term capital growth through investing in a diversified portfolio with a focus on UK companies, both quoted and unquoted.

## Investment Policy

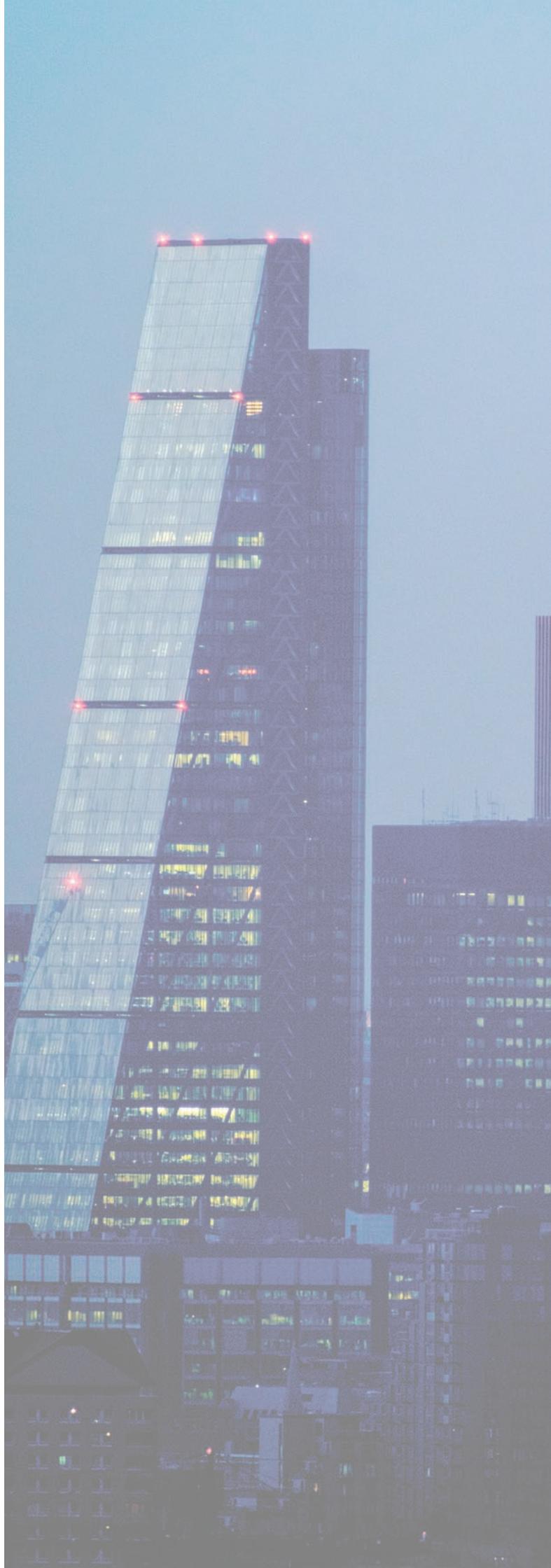
The Portfolio Manager employs a collaborative, team-based approach combining skills, experience and research resources across its public and private equity teams. It aims to identify private equity investments which demonstrate an optimal combination of fast growing, high quality companies with strong management teams and co-investors, and public companies with innovative business models, a focus on organic growth and high-quality management.

The portfolio composition at any one time will reflect the opportunities available to the Portfolio Manager, the performance of the underlying investee companies and the maturity of the portfolio.

The Company's portfolio will typically consist of 30-80 holdings predominantly in UK companies. The Company may become a significant shareholder in any of the underlying portfolio companies.

While the intention is for quoted companies to represent not less than 20 per cent. of gross assets over the long-term, the actual exposure may vary from time to time reflecting the maturity of the portfolio and market environment at that time.

The Company's portfolio is constructed on the basis of an assessment of the fundamental value of individual securities and is not structured on the basis of sector weightings. The Company's portfolio is diversified across a number of sectors and, while there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.





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# Financial Highlights

## Returns for the period ended 30 June 2020



Net Asset Value  
(NAV) per share



Share price

## Other financial information

	30 June 2020	31 December 2019	% Change
Shareholders' funds (£'000)	412,865	449,429	-8.1
Shares in issue	908,639,238	908,639,238	-
NAV per share (pence)	45.44	49.46	-8.1
Share price (pence)	25.50	38.35	-33.5
Share price discount to NAV per share (%)	43.9	22.5	
Gearing (%) <sup>1</sup>	25.1	24.6	

<sup>1</sup>Borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

# Chair's Statement



During the six month period to 30 June 2020 the net asset value fell 8.1% from 49.46p per share to 45.44p per share. The share price fell from 38.35p to 25.50p in the same period. However, it has shown signs of recovery since the end of the period and the current price is 27.68p (as at 28 September).

Since 31 March, downward valuations have stabilised

and whilst the NAV is down 8.1% since the 31 December year end, since 1 April the NAV has declined by 1.5%. There have also been some positive developments in individual stocks. Detailed analysis of changes in valuation, updates on holdings and the outlook may be found in the Portfolio Manager's Review.

## Gearing

During the period, net debt decreased by £7.2 million, and as at 30 June 2020, gearing stood at 25.1% of NAV (net debt of £103.5 million). The board will continue to work with Schroders to reduce this level of gearing.

## Shareholder engagement

Although the Company's AGM was held behind closed doors due to the government restrictions on public gatherings during the pandemic, we arranged a webinar with the portfolio managers which was well attended. The portfolio managers will present to shareholders again by webinar at 10am on 8 October 2020. If you would like to register for the event, [please do so at the following link](https://www.schrodersevents.com/suppretail) <https://www.schrodersevents.com/suppretail>

For regular news about the Company, shareholders are also encouraged to sign up to the Portfolio Manager's investment trusts update by visiting the Company's website [www.schroders.com/en/uk/private-investor/fund-centre/funds-infocus/investment-trusts/schroders-investmenttrusts/never-miss-an-update/](http://www.schroders.com/en/uk/private-investor/fund-centre/funds-infocus/investment-trusts/schroders-investmenttrusts/never-miss-an-update/).

In the event that shareholders have a question for the board, please email the Company Secretary ([amcompanysecretary@schroders.com](mailto:amcompanysecretary@schroders.com)) or write to us at the Company's new registered office address (1 London Wall Place, London EC2Y 5AU).

## Outlook

Despite the challenges of the COVID-19 pandemic, the board is pleased that the portfolio managers have developed engagement with portfolio companies and are heavily focused on near-term objectives, including adjusting position sizes towards a more balanced portfolio, while reducing debt and supporting the companies in the portfolio.

**Susan Searle**

Chair

29 September 2020

# Portfolio Manager's Review

## Summary

- NAV of 45.44p per share, a reduction of 1.5% since 31 March 2020 (46.13p per share) and 8.1% since 31 December 2019 (49.46p per share).
- Portfolio continues to benefit from the significant weighting in healthcare companies which have proved resilient over the full half year period, including particularly strong performance in the second quarter.
- Schroders (the 'Portfolio Manager') continues to provide support to the businesses in the portfolio to help them navigate the COVID-19 crisis and is focused on adjusting position sizes towards a more balanced portfolio whilst reducing the debt.
- Net debt of £103.5 million, down £7.2 million from 31 December 2019.

## Introduction

The first half of 2020 has seen significant volatility across both public and private markets around the world. Public equity markets initially sold off very heavily as a result of the COVID-19 pandemic and the unprecedented actions taken by governments to mitigate the impact on human life by locking down entire economies. This has had a devastating impact on many companies which rely on footfall for trade. However, some business models have been less exposed or been swift to adapt to this new environment. Those businesses with the flexibility to operate digitally have taken advantage of the rapid shift in consumer behaviour, whilst more traditional operators have suffered severe disruption.

Following the initial lockdown, many economies have seen huge levels of support from central banks and governments around the world through the provision of enormous quantities of monetary and fiscal stimulus designed to provide stability as the global economy has battled to deal with the pandemic. This intervention has been well received by the public equity markets around the world as investors look to the future, with some markets now trading above their pre-COVID levels.

However, the positive sentiment now being seen in the public markets is not being felt across all sectors. As highlighted above, those businesses that have the flexibility to adapt, or business models that are less impacted by the pandemic are being rewarded with strong performance and in many cases robust valuations.

More broadly, the impact of COVID-19 varied by region and industry, the specific business model of a company and its financing situation. As a result, it is important to look at the idiosyncratic risks and opportunities associated with each individual holding from a bottom-up perspective. As highlighted in the first quarter announcement, the Company's portfolio has benefited from having a high proportion of technology and healthcare companies, including several companies that were actively aiding in the fight to overcome the COVID-19 pandemic.

Over this reporting period, the impact of the pandemic on the performance of the portfolio has been particularly evident in the relative development of the public and private

segments of the portfolio. The Company's quoted holdings experienced a high level of market volatility in the initial aftermath of the pandemic as evidenced in the first quarter NAV announcement. However, these sharp declines in prices have been followed by quick recoveries giving rise to a much stronger performance in the second quarter.

By comparison, the values of the Company's unquoted holdings however have taken longer to fully reflect the impact of the current crisis which remained shrouded in uncertainty at the end of the first quarter. It is important to note that private asset values are a product of far more than simply delayed public market valuations. Fundamentally, private asset valuations are anchored on capturing idiosyncratic risks and returns of individual assets over longer investment periods. The nature of these valuation frameworks means that they are designed to provide comparative stability during times of market turbulence.

From the perspective of valuation, the Company's portfolio has performed particularly resiliently due to the outsized weighting in healthcare companies that have only been moderately impacted by the pandemic, and in fact many have achieved significant operational progress during the period. This has resulted in several upward adjustments to valuations which have counterbalanced those sectors within the portfolio which have been most heavily impacted, such as Financials. As a result, the Company reports relatively stable performance in the second quarter with the NAV reduced by 1.5%.

As Portfolio Manager, we have been actively adapting to the impact of the economic downturn across the portfolio and working intensely with each individual portfolio company management team to ensure that each business is best placed to cope with the demands of the current environment and seize opportunities where they may arise.

## Financial Performance

Value movements (£m) <sup>^</sup>	Value		Net Debt		NAV
	Quoted*	Unquoted	Other	NAV	
<b>Value at 31.12.19</b>	<b>134.3</b>	<b>426.8</b>	<b>(110.7)</b>	<b>(1.0)</b>	<b>449.4</b>
+ Investments	0.1	1.9	(2.0)	-	-
- Realisations	(5.8)	(6.2)	12.0	-	-
+/- Fair value gains/(losses)	(3.7)	(42.9)	-	-	(46.6)
+/- FX gains/(losses)	2.5	10.0	-	-	12.5
+/- Costs and other movements	-	-	(2.8)	0.3	(2.4)
<b>Value at 30.06.20</b>	<b>127.4</b>	<b>389.6</b>	<b>(103.5)</b>	<b>(0.7)</b>	<b>412.9</b>

<sup>^</sup>Source: Administrator, FX gains/(losses) provided by the AIFM.

\*As in the FY2019 annual report, Rutherford Health is reported as a quoted holding despite being fair value priced by the AIFM.

The half yearly NAV as at 30 June 2020 was £412.9 million or 45.44p per share. This reflects a like-for-like decrease of -

# Portfolio Manager's Review

1.5% compared with the NAV as at 31 March 2020 and a decrease of -8.1% since 31 December 2019.

The half year NAV return of -8.1% comprised:

- Quoted holdings -0.8%
- Unquoted holdings -9.5%
- FX impact +2.8%
- Costs and other movements -0.5%

During the half year period, and despite the COVID-19 global market sell-off during the first quarter, the Company's quoted holdings saw a moderate decline in value of 3%, reversing part of the near 16% fall in the first quarter. In comparison, the FTSE AIM All-Share Index declined by 7.8% during the same period (Source: LSE website). The largest single contributor to performance in the quoted holdings was Autolus Therapeutics whose listed share price increased 20%, a recovery of 171% during the second quarter. In June 2020, the Company presented new data highlighting encouraging progress with its AUTO1 programme, a CAR-T cell therapy programme for relapsed / refractory adult Acute Lymphoblastic Leukaemia. The portfolio also benefited from similar share price reversals from other quoted holdings in the second quarter including Idex Biometrics +133%, Reneuron Group +45% and Mereo Biopharma +150%. The largest detractor from performance in the quoted holdings was Evofem Biosciences which declined 54%, predominantly due to its listed share price falling 47% in the second quarter. Following the receipt of FDA approval for the company's primary asset, a non-hormonal contraceptive, the market was disappointed by the scale of fund raising, at a significant discount to the share price, in order to meet the costs of a planned marketing campaign.

Despite the relative strength of the unquoted holdings in the first quarter, this segment of the portfolio experienced a further decline in the second quarter as the full impact of COVID-19 became reflected in portfolio valuations (as provided by the AIFM). As a result, the value of the Company's unquoted holdings declined 10% over the half year. The largest single positive contributor to performance in the unquoted holdings was Inivata which achieved a major milestone with the announcement of its strategic collaboration and investment from NeoGenomics, a leading US-based cancer diagnostics and services company. The most notable negative contributor to performance continued to be the downward valuation adjustments in the Financials sector, which has been most heavily impacted by COVID-19. In this regard, the largest change in valuation implemented by the Company's AIFM was the downwards adjustment to the holding in Atom Bank to reflect a contraction in the valuation metrics of its private and public market comparables – this peer group declining by greater than 35% since the Company's last investment date. The valuation changes in Financials also includes a downwards valuation adjustment to the holding in Ratesetter which experienced marketplace and funding headwinds due to the economic uncertainty caused by COVID-19, culminating in an acquisition offer from Metro Bank in the third quarter (See the Company Updates section for further details).

As mentioned earlier, more positively, the portfolio continued to benefit from the significant weighting in Health Care,

representing of 58% gross asset value as at 31 Dec 2019, which delivered a positive net contribution in the second quarter. As did the portfolio's weighting in Technology, albeit from a lower base.

During the period, the portfolio also benefited from the decline in the value of sterling relative to the US dollar by 7.2% which resulted in an appreciation of the value of the Company's dollar-denominated assets.

## Investment Activity

As part of our previously stated intention to move the portfolio toward a greater balance of sectors, stages and position sizes, the Company completed several realisations over the first half of the year. Within the private equity holdings, this included the partial realisation of the Company's holding in Oxford Nanopore as part of a strongly supported fundraising at an attractive valuation, and the full realisation of the holding in Yoyo Wallet in a previously agreed transaction.

Within the public equity holdings, we also moderately reduced various positions which had rebounded strongly in the second quarter or were otherwise considered oversized relative to our conviction levels. These limited realisations have mainly been used to meet more compelling opportunities to provide funding to some of the private companies held, whilst also ensuring that net debt levels are gradually reduced.

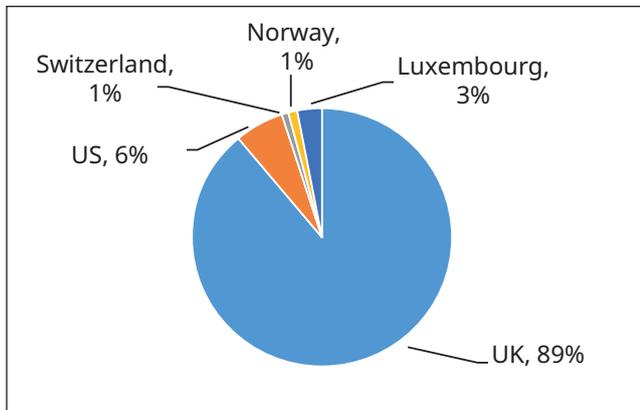
During the second quarter, the Company also completed the first tranche of a follow-on investment into a private healthcare holding alongside other existing shareholders. The transaction related to an existing commitment of the Company, agreed by the previous portfolio manager, which we supported to protect long-term value which otherwise would have been significantly diluted. The second tranche is expected to complete before the year end. This is the Company's penultimate such financial commitment related to follow-on funding agreed by the previous portfolio manager with the final transaction due to be reported in the third quarter. While the specific company remains unnamed due to commercial sensitivity, it is important to highlight that we intend to move towards increasing the level of disclosure as we progress with our repositioning.

In line with the board's commitment to reducing gearing over time, surplus funds were used to pay down the Company's gearing facility. As at 30th June 2020, net debt stood at £103.5 million or 25.1% of NAV.

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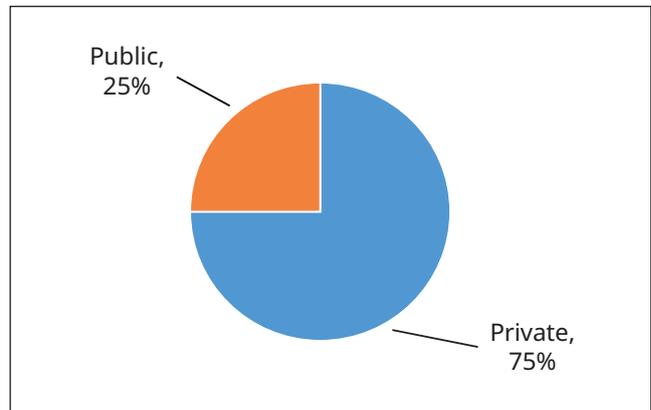
The following charts provide an overview of the Company's total investments positioning as at 30 June 2020.

## Portfolio By Geography



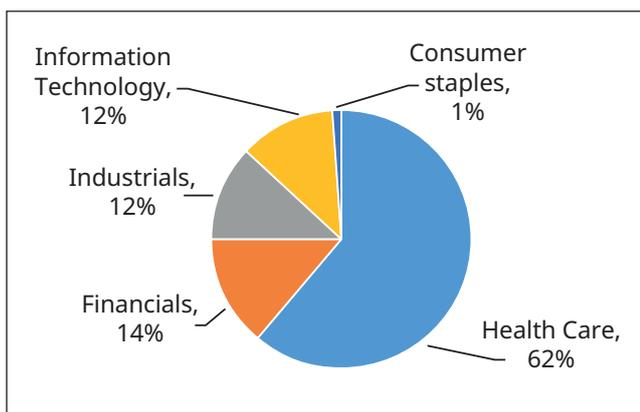
Source: AIFM, Schroders as at 30 June 2020

## Split between public and private companies



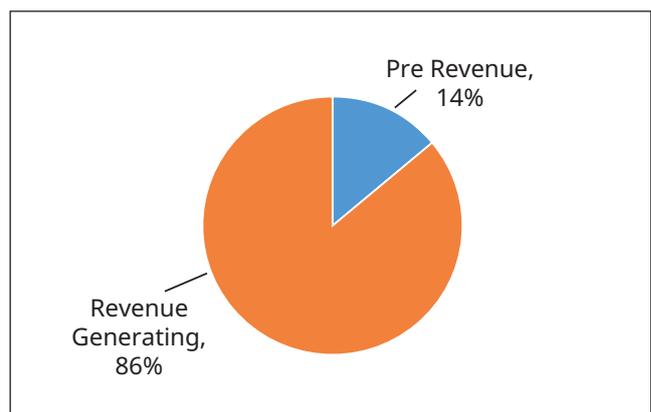
Source: AIFM, Schroders as at 30 June 2020

## Portfolio By Sector



Source: AIFM, Schroders as at 30 June 2020

## Portfolio By Commercial Stage



Source: AIFM, Schroders as at 30 June 2020

# Portfolio Manager's Review

## Outlook

Clearly the first half of 2020 has presented challenges, however we are pleased with the dialogue and relationships that we have developed with the portfolio companies since taking on portfolio management of the Company in December 2019.

As highlighted in the first quarter update, we have been heavily focused on achieving our near-term objectives. Firstly, we have been working closely with the companies within the portfolio to support operational decision-making in navigating the current economic turbulence and helping to identify opportunities that may arise from the COVID-19 crisis. In addition, the focus on adjusting position sizes towards a more balanced portfolio, whilst reducing debt, also remains front of mind and we hope to be able to provide further colour on the progress being made here soon.

We recognise that economic uncertainty persists as governments around the world continue to grapple with the most appropriate policy responses to the ongoing coronavirus pandemic. Case numbers have clearly risen again in numerous regions in the second half of 2020, including in the UK, which to some extent is itself likely to reflect a degree of recovery in social movement and working practices compared to the first half of the year. We are monitoring the situation closely with regard to any impact on portfolio companies from these continuing events, noting that the substantive adjustments already made to company structures will be equally relevant in a second wave of this pandemic.

Whilst repositioning the portfolio and reducing debt is a clear priority, it is also important to continue to support the companies in the portfolio as they continue to develop and grow. We expect to announce several significant operational milestones from companies in the portfolio in the second half of 2020 and we are excited about being able to communicate these developments if they materialise as expected.

We intend to continue to support the portfolio both financially and operationally, within the constraints of the Company's available liquidity, whilst also seeking other like-minded co-investors who we believe can add value to the portfolio companies over the longer term. We have built a good working relationship with our debt provider and maintain a regular dialogue. As such we anticipate being able to make targeted follow-on investments into some portfolio companies over the next six months and we will communicate these to the market as appropriate.

## Company Updates

### **Rutherford Health: Announced Development Framework Agreement with Equitix, Diagnostics Services Agreement with Somerset NHS Foundation Trust and the commencement of patient treatment at the new Rutherford Cancer Centre North West**

In June 2020, Rutherford Health announced that it has entered into a Development Framework Agreement with

Equitix, an investor, developer and long-term fund manager of core infrastructure assets in the UK and Europe. Under the terms of the Agreement, Rutherford and Equitix will establish up to five new diagnostic facilities in the UK with an estimated value of approximately £55 million. Equitix will have the exclusive right to provide funding to establish special purpose vehicles to construct and own the diagnostic centres which will be operated by Rutherford Infrastructures (a wholly owned subsidiary). Rutherford Diagnostics, also a wholly-owned subsidiary, will provide diagnostic services. Each centre will provide a variety of diagnostics services to NHS and private patients including Positron Emission Tomography-Computed Tomography, Magnetic Resonance Imaging, Computed Tomography, Ultrasound, Endoscopy, X-Ray and other relevant diagnostic services.

In July 2020, Rutherford announced the first partnership under the Equitix Agreement with Somerset NHS Foundation Trust whereby the Company will provide a dedicated facility in Taunton. The Service Agreement is expected to commence in the second half of 2021 for a 5-year minimum term, extendable to 10 years, subject to the achievement of certain service levels, and carries minimum revenue of approximately GBP 1.9m per annum.

At the very end of the same month, the company also announced that it has commenced treating patients at the new Rutherford Cancer Centre North West, in Liverpool. This is the fourth centre in the Rutherford Health network. The centre has been approved by the Care Quality Commission to initially offer patients Systemic Anti-Cancer Therapy (SACT) services which includes chemotherapy, immunotherapy, targeted therapies, symptom control as well as blood tests, oncology nurse consultation and supportive therapies. The centre will also offer MRI diagnostic services. The facility will eventually offer comprehensive cancer services with plans to expand services later this year to include radiotherapy, mammography and ultrasound with high energy proton beam therapy coming online early next year. The Liverpool centre will also be the first in the UK to use an MR Linac machine, which combines an MRI scanner and a linear accelerator, manufactured by Elekta. This delivers targeted radiotherapy that can treat hard to reach tumours.

### **Atom Bank: Released its 2019/2020 Annual Report**

In September 2020, Atom Bank released its 2020 Annual Report detailing progress against its key operational, financial and strategic objectives over the year to March 2020. In particular, the company disclosed the substantial progress achieved in redeveloping its banking stack and transitioning to the cloud. A key long-term investment which is intended to accelerate the speed, agility, data management and insight delivery in support of new product launches, such as the Instant Access Saver (IAS) account currently in production. One indication of the success of this project has been the consistently high customer ratings, including recognition as Trustpilot's most trusted UK bank, Net Promoter Scores in excess of +75 and at the time of writing, an App store rating of 4.7 across both Android and iOS.

During the financial year, Atom took steps to improve asset yields by increasing its lending to SMEs and refocusing its offer to residential mortgage customers. The company now has a larger and more granular balance sheet which affords

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more efficient liquidity management with consequent benefits to net interest income. The result is an underlying net interest income improvement over the year with momentum that is expected to continue.

In July 2020, Atom also completed its third residential mortgage-backed securitisation in order to support continued growth. The transaction was backed by £770m of mortgage loans and generated a substantial regulatory capital release. Atom is in a strong position and poised to accelerate its growth, leading to an expectation that it will be looking to add new capital in due course to continue scaling its capabilities.

Looking ahead to 2021, Atom intends to continue building out its inventory of products, widening its distribution and enhancing its automation capabilities in order to further enhance its customer experience and cost efficiency credentials. The actions taken by the business in the wake of the COVID-19 pandemic are intended to ensure that Atom is well placed to scale and to grow profitably, even in the face of present economic uncertainty.

## **Oxford Nanopore: Announced co-development of a highly scalable solution for COVID-19 detection and engagement at London Calling 2020**

In June 2020, Oxford Nanopore announced its partnership with Group 42, an AI and cloud computing company based in the United Arab Emirates, to develop a population-scale technology to rapidly and accurately detect SARS-CoV-2, the virus that causes COVID-19. The end-to-end solution developed by G42 and Oxford Nanopore is expected to dramatically reduce the complexity of mass screening. The technology uses the LamPore assay and Oxford Nanopore's rapid sequencing platform, in combination with the high-throughput automation, sample processing and reporting workflows developed by G42. The solution is now being incorporated into the UAE national testing strategy. Over a ramp-up period in the G42 sequencing facility in Abu Dhabi, the program is expected to scale to hundreds of thousands of samples daily. G42 and Oxford Nanopore are working on the production capacity for the global deployment of this technology.

In June 2020, Oxford Nanopore also hosted its London Calling conference dedicated to scientific research using nanopore DNA/RNA sequencing. Since 2015, this event has been a forum for people across numerous fields of research to meet and share how they're using nanopore sequencing in their work, encompassing everything from clinical research to plant genomics to bioinformatics. This year it took a very different format, going online for the first time ever. The event attracted 5,500 people tuning in to see the action, either live or on-demand, over two-and-a-half days of presentations, discussion and networking.

## **BenevolentAI: Highlighted further clinical data in support of its AI-derived hypothesis for Baricitinib as a potential treatment for COVID-19**

In July 2020, BenevolentAI highlighted further clinical data in support of its AI-derived hypothesis for baricitinib as a potential treatment for COVID-19. The research, conducted in partnership with Eli Lilly, who own baricitinib, includes

data studying the dual basis of baricitinib's effect on patients with bilateral COVID-19 pneumonia who presented with severe disease. The Company believes this research provides further validation of its AI-derived hypothesis of the previously unknown anti-viral activity effect of baricitinib, in addition to its predicted effects on reducing the cytokine storm. When treated with baricitinib, hospitalised COVID-19 patients showed improvement in cough, fever, and a reduction in inflammatory markers and SARS-CoV-2 viral load, data that has been replicated elsewhere in single-arm studies. The results of randomised trials, including the recently initiated global placebo-controlled study, are expected in the next few months.

In early February, the BenevolentAI team published its research finding that an oral, once daily medicine, baricitinib, normally used to treat adult rheumatoid arthritis, may be useful in both reducing viral propagation in cells, and to mitigate the cytokine signalling seen in the hyper inflammatory stage of the disease. Since these findings were first published in *The Lancet* and *The Lancet Infectious Diseases*, baricitinib has been administered to patients in more than 12 clinical trials worldwide, including large global trials by the NIAID and Eli Lilly. Following the initiation of clinical testing in April, baricitinib has been used in investigator-led trials as a therapy in more than 800 patients with positive preliminary results.

## **Inivata: Announced US commercial launch of InVisionFirst®-Lung**

In June 2020, following its earlier strategic collaboration announced with NeoGenomics, Inivata announced the commercial launch of its InVisionFirst®-Lung liquid biopsy test in the US. InVisionFirst-Lung is a ctDNA next-generation sequencing liquid biopsy assay testing 37 genes relevant to the care of advanced non-small cell lung cancer (NSCLC). The test covers all National Comprehensive Cancer Network (NCCN) guideline-recommended genomic drivers with FDA-approved targeted therapies for NSCLC. InVisionFirst-Lung results are delivered within seven calendar days and the test is covered by Medicare and various private insurance payers for patients with advanced NSCLC meeting certain clinical criteria.

## **Mission Therapeutics: Announced \$15m fundraising and expanded relationship with Pfizer**

In July 2020, Mission Therapeutics announced that it has raised \$15m (£12m) of equity investment in a funding round led by existing investor Pfizer Ventures, the venture capital arm of Pfizer. The new capital will support development of Mission's leading DUB platform, as well as growth of its pipeline of DUB inhibitor programmes. Mission and Pfizer Inc. also announced the expansion of their relationship by entering into an evaluation and option agreement for DUB target validation.

## **Mafic: Announced the start of operations at world's largest basalt fiber production facility**

In July 2020, Mafic USA announced the commencement of operations at its new basalt fiber production facility in Shelby, North Carolina. The facility is the world's largest and the first such in North America. During the month, the team

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completed the highly calibrated process of starting-up the plant's furnace and began melting basalt rock and pulling the first fiber. The company expects to begin producing products for sale in early August.

This operational milestone marks a major step forward in the company's goal to bring basalt fiber to North American markets and produce on a commercially viable scale. Mafic began construction of its \$20 million facility, located 45 miles from Charlotte, North Carolina, in 2016. The new facility is expected to be capable of producing 6,000 metric tons of basalt fiber annually, nearly 30 percent of the current global output of basalt fiber. Mafic is looking to commercialise basalt fibers for a wide array of industrial applications because of their strength and ability to replace materials susceptible to corrosion. The material has been used for decades, but until now, it has been produced in limited quantities. Mafic's goal is to bring the large-scale production of basalt fiber to several markets, including the construction, automotive, and thermal markets among others.

## **Autolus Therapeutics: Presented data at the 2020 EHA25 Virtual Congress and American Society of Clinical Oncology Annual Meeting 2020**

Autolus Therapeutics has provided updates on its two most advanced programmes. In June 2020, the company presented new data highlighting progress on its AUTO1 programme at the European Hematology Association EHA25 Virtual Congress. AUTO1 is the company's CAR-T cell therapy programme for relapsed / refractory adult Acute Lymphoblastic Leukaemia. The company also provided an update on its AUTO3 CAR-T cell therapy programme for DLBCL (Diffuse Large B-Cell Lymphoma) at the 2020 Annual Meeting of the American Society of Clinical Oncology.

With regards to AUTO1, the company reported interim data from its ongoing study in the US and UK for treatment of adult Acute Lymphoblastic Leukaemia. The data showed good tolerance, with no patients experiencing Cytokine Release Syndrome of grade three or higher, and only low (and resolved) incidences of neurotoxicity. An encouraging 84% of patients experienced MRD-negative CR (Minimum Residual Disease Negative Complete Remission) after one month, and Event Free Survival rates at six months stand at 62%. These data overall demonstrate encouraging clinical efficacy and durability as well as limited safety concerns. From an operational perspective, product manufacturing was 100% successful for all patients for whom this was attempted. The company announced that enrolment of patients had been affected by COVID-19 in selected sites in the US and the UK but confirmed that the AUTO1 programme is on track, with further data expected later in 2020, and full data from the pivotal study expected by the end of 2021.

With regards to AUTO3, for adult DLBCL (Diffuse Large B-Cell Lymphoma), following encouraging tolerance and safety data, the company announced an expansion cohort to assess the feasibility of AUTO3 in the outpatient setting as part of a current study. Successful treatment in an outpatient setting would significantly increase the addressable market for this therapy. The next results from this programme are to be announced at the European Society for Medical Oncology Virtual Congress in September 2020, at the time of this

report going to press, with a go/no-go decision on progressing to a Phase 2 pivotal study expected in the second half of 2020.

The company management continues to guide that cash of \$212m will take it into 2022.

## **Kymab: Announced Positive Phase 2a Results for KY1005 in Moderate to Severe Atopic Dermatitis**

In August 2020, Kymab, a clinical-stage biopharmaceutical company developing fully human monoclonal antibodies with a focus on immune-mediated diseases and immunology therapeutics, announced that the primary endpoints in its Phase 2a (NCT03754309), randomized, double-blinded, placebo-controlled study have been met.

The proof of concept study, conducted across 20 European sites, evaluated the efficacy, safety and tolerability of KY1005 in 88 adults with moderate to severe atopic dermatitis whose disease could not be adequately controlled with topical corticosteroids. Patients were randomised into one of two dose groups of KY1005 or placebo and treated for 12 weeks. The primary endpoint was assessed 4 weeks later. Data from the study will be published in the fourth quarter of this year.

"The data from this atopic dermatitis study is extremely promising," said Simon Sturge, Chief Executive Officer. "Moderate to severe atopic dermatitis is a severe, debilitating disease. We are very encouraged by what we have seen and look forward to the long-term results from an assessment out to 6 months after the last dose to evaluate the persistence of response. Not only do these data validate KY1005 as a potential novel therapeutic for the treatment of atopic dermatitis, they also provide a platform to explore its effect in multiple other immune-mediated diseases."

## **Seedrs: Announced partnership with Capdesk to facilitate secondary liquidity in private companies**

In June 2020, Seedrs announced its partnership with equity management platform, Capdesk. Thus, creating a unique secondary liquidity offering, serving the needs of the wider market with the ability to trade shares in private companies.

The Seedrs Secondary Market has been enhanced significantly and grown quickly since its launch in 2017. In May, the market surpassed £1m of shares traded in a month for the first time, with Revolut share sales topping the list for the most shares listed and sold. Now, companies outside the Seedrs portfolio who use Capdesk for their cap table and equity management systems will be able to access the Seedrs Secondary Market.

## **Reaction Engines: Announced new Strategic Partnership Agreement with Rolls-Royce**

In August, Reaction Engines and Rolls-Royce plc announced a new strategic partnership agreement to develop high-speed aircraft propulsion systems and explore applications for Reaction Engines' thermal management technology within civil and defence aerospace gas turbine engines and hybrid-electric systems.

Additionally, Rolls-Royce disclosed a further investment in Reaction Engines as part of a wider funding round. The two companies have been working together since 2018, including

# Portfolio Manager's Review

on the first phase of a UK Ministry of Defence contract to undertake design studies, research, development, analysis and experimentation related to high-Mach advanced propulsion systems.

"This strategic partnership is about developing market ready applications for Reaction Engines' technology in next generation engines and is a significant step forward for our technology commercialisation plans," said Mark Thomas, Chief Executive of Reaction Engines. "Our proprietary heat exchanger technology delivers incredible heat transfer capabilities at extremely low weight and a compact size. We look forward to expanding our international collaboration with Rolls-Royce, a global leader in power systems, to bring to market a range of applications that will transform the performance and efficiency of aircraft engines, enable high speed – supersonic and hypersonic – flight and support the drive towards more sustainable aviation through innovative new technologies."

## **Spin Memory: Announced an extension of its Series B funding round**

In July 2020, Spin Memory announced an extension of its Series B funding round, having received additional investment of \$8.25m from its major investors including Arm, Applied Ventures, LLC (the venture capital arm of Applied Materials, Inc.) and Abies Ventures (Abies), as well as the company's founding investor, Allied Minds.

As the industry demand for high-speed, low-leakage, non-volatile memory continues to grow, Spin Memory is a pioneer in bringing MRAM closer and closer to SRAM-like performance as a new mainstream memory solution for applications such as autonomous driving, artificial intelligence and edge computing. The company is bolstered by over 250 patents, a commercial agreement with Applied Materials, and a licensing agreement with Arm.

## **ReNeuron Group: Released positive data in retinal clinical trial and announced expanded regulatory approvals**

In June 2020, ReNeuron Group announced further positive data from its Phase 2a clinical trial of stem cell treatment for Retinitis Pigmentosa (RP), a group of hereditary diseases of the eye that cause progressive loss of sight leading to eventual blindness.

The latest available data indicates ongoing clinically meaningful benefit to eyesight observed at all time-points up to longest-available eighteen months since initial treatment, as measured by the number of letters read on an ETDRS chart (the standardised eye chart used to measure visual acuity in clinical trials).

Also in June 2020, the Company announced that it had received regulatory approval from both the U.S. Food and Drug Administration (FDA) and UK Medicine and Healthcare Products Regulatory Agency (MHRA) to expand its ongoing Phase 2a clinical study to treat patients with RP at a higher dose level. These approvals will enable the treatment of up to a further nine patients in the Phase 2a extension segment of the study (beyond the ten Phase 2a patients already treated), almost doubling the patient cohort. The company announced that it intends to commence treating patients

shortly in both the US and the UK under the revised approved study protocol, subject to a continued easing of COVID-19 related restrictions at the relevant clinical sites.

The company expects to have sufficient data from this expanded Phase 2a clinical trial to enable it to seek approval in the second half of 2021 to commence a single pivotal clinical study with its stem cell therapy candidate in RP.

## **LIGNIA Wood Company: LIGNIA Yacht selected as Boating Industry Top Product 2020**

In May 2020, LIGNIA Wood Company's high-performance, sustainable timber for yacht decking, LIGNIA Yacht, was selected by the editors of Boating Industry magazine as a Top Product for 2020. This award follows LIGNIA Yacht's award wins in 2019 at IBEX and METSTRADE.

## **Ratesetter: Metro Bank announced agreement to acquire Ratesetter**

In August 2020, Metro Bank PLC announced that it had agreed to acquire Retail Money Market LTD ("RateSetter") for an initial consideration of £2.5 million, with additional consideration of up to £0.5 million payable 12 months after completion subject to the satisfaction of certain criteria and further consideration of up to £9 million payable on the third anniversary of the completion of the transaction, subject to the satisfaction of certain key performance criteria. The acquisition does not include RateSetter's holding in RateSetter Australia which is being retained by RateSetter shareholders. The acquisition is conditional upon approval from the Financial Conduct Authority and shareholders holding at least 60 percent of RateSetter's shares acceding to the relevant transaction documents and is expected to close by the fourth quarter this year. The board of directors of RateSetter unanimously recommended the transaction.

On 14 September 2020, Metro Bank announced the acquisition of RateSetter, following receipt of shareholders' and regulatory approval.

## **Schroder Investment Management Limited**

29 September 2020

*Securities named are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.*

# Investment Portfolio as at 30 June 2020

The 20 largest investments account for 90.8% of total investments by value (30 June 2019: 83.0% and 31 December 2019: 88.7%).

Holding	Quoted/unquoted	Industry Sector	Fair value £'000	Total investments %
Rutherford Health	Quoted	Health Care	80,811	15.6
Oxford Nanopore	Unquoted	Health Care	68,707	13.3
Atom Bank	Unquoted	Financials	56,772	11.0
Benevolent AI	Unquoted	Technology	33,507	6.5
Immunocore	Unquoted	Health Care	26,980	5.2
Inivata	Unquoted	Health Care	24,963	4.8
Autolus Therapeutics	Quoted	Health Care	22,981	4.4
Carrick Therapeutics	Unquoted	Health Care	18,533	3.6
Kymab	Unquoted	Health Care	16,971	3.3
Mafic	Unquoted	Industrials	16,196	3.1
Industrial Heat	Unquoted	Industrials	14,326	2.8
Ombu	Unquoted	Industrials	14,024	2.7
Reaction Engines	Unquoted	Industrials	12,500	2.4
Mission Therapeutics	Unquoted	Health Care	10,117	2.0
Federated Wireless	Unquoted	Technology	9,774	1.9
Spin Memory	Unquoted	Technology	9,429	1.8
Genomics	Unquoted	Health Care	9,045	1.7
Seedrs	Unquoted	Financials	8,749	1.7
AMO Pharma	Unquoted	Health Care	8,526	1.6
ReNeuron Group	Quoted	Health Care	7,284	1.4
Evoform Biosciences	Quoted	Health Care	6,064	1.2
IDEX Biometrics	Quoted	Technology	5,553	1.1
CeQur	Unquoted	Health Care	5,020	1.0
Kind Consumer	Unquoted	Consumer Staples	4,802	0.9
Kuur Therapeutics (previously Cell Medica)	Unquoted	Health Care	4,247	0.8
Mereo BioPharma Group	Quoted	Health Care	3,531	0.7
American Financial Exchange	Unquoted	Financials	3,062	0.6
Lignia Wood	Unquoted	Industrials	2,981	0.6
Psioxus	Unquoted	Health Care	1,779	0.3
Econic	Unquoted	Industrials	1,440	0.3
Ratesetter	Unquoted	Financials	1,327	0.3
Scifluor	Unquoted	Health Care	1,230	0.2
Nexeon	Unquoted	Industrials	1,182	0.2
Origin	Unquoted	Health Care	968	0.2
Novabiotics	Unquoted	Industrials	847	0.2

# Investment Portfolio as at 30 June 2020

Holding	Quoted/unquoted	Industry Sector	Fair value £'000	Total investments %
Bodle Technologies	Unquoted	Technology	766	0.2
Metaboards	Unquoted	Technology	762	0.2
NetScientific	Quoted	Health Care	756	0.1
Xeros Technology	Quoted	Industrials	339	0.1
Tissue Regenix Group	Quoted	Health Care	84	-
RM2 International	Unquoted	Industrials	60	-
Midatech Pharma	Quoted	Health Care	2	-
Drayson	Unquoted	Technology	-	-
Halosource	Unquoted	Industrials	-	-
Metalysis	Unquoted	Industrials	-	-
Oxsybio	Unquoted	Health Care	-	-
Precision Biopsy	Unquoted	Health Care	-	-
Sphere Medical	Unquoted	Health Care	-	-
Wath Investments	Unquoted	Industrials	-	-
<b>Total investments:<sup>1</sup></b>			<b>516,997</b>	<b>100.0</b>

<sup>1</sup>Total investments comprise:

	£'000	%
Quoted on AIM	11,996	2.3
Listed on a recognised stock exchange overseas	34,598	6.7
Quoted on Acquis Stock Exchange	80,811	15.6
Unquoted	389,592	75.4
<b>Total</b>	<b>516,997</b>	<b>100.0</b>

# Half Year Report

## Principal Risks and Uncertainties

The board has determined that the key risks for the Company are COVID-19 risk, gearing risk, performance risk, general valuation risk, portfolio specific valuation risk; investee company specific risk; portfolio concentration risk; Portfolio Manager and key man risk; outsourced service provider model risk; currency risk and cyber risk. These risks, as well as the emerging risks and uncertainties determined by the board, are set out on pages 21 to 25 of the annual report and accounts for the year ended 31 December 2019. These risks and uncertainties have not materially changed during the six months ended 30 June 2020 or since the annual report was published on 1 May 2020.

## Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on page 26 of the published annual report and accounts for the year ended 31 December 2019, as well as considering the additional risks related to COVID-19, and where appropriate, action taken by the Portfolio Manager and Company's service providers in relation to those risks, the directors consider it appropriate to adopt the going concern basis in preparing the accounts.

## Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 30 June 2020.

## Directors' responsibility statement

The directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in October 2019 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

# Income Statement for the six months ended 30 June 2020 (unaudited)

	(Unaudited) For the six months ended 30 June 2020			(Unaudited) For the six months ended 30 June 2019			(Audited) For the year ended 30 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments held at fair value through profit or loss	-	(34,134)	(34,134)	-	(226,207)	(226,207)	-	(421,175)	(421,175)
Losses on derivative contracts	-	-	-	-	(2,827)	(2,827)	-	(9,373)	(9,373)
Gains/(losses) on foreign exchange	-	18	18	-	-	-	-	(1)	(1)
Income from investments	-	-	-	-	-	-	-	-	-
<b>Gross loss</b>	-	(34,116)	(34,116)	-	(229,034)	(229,034)	-	(430,549)	(430,549)
Portfolio management fees	(669)	-	(669)	-	-	-	-	-	-
Administrative expenses	(703)	-	(703)	(1,193)	-	(1,193)	(3,115)	-	(3,115)
<b>Net loss before finance costs and taxation</b>	(1,372)	(34,116)	(35,488)	(1,193)	(229,034)	(230,227)	(3,115)	(430,549)	(433,664)
Finance costs	(1,076)	-	(1,076)	(1,480)	-	(1,480)	(2,841)	-	(2,841)
<b>Loss before taxation</b>	(2,448)	(34,116)	(36,564)	(2,673)	(229,034)	(231,707)	(5,956)	(430,549)	(436,505)
Taxation	-	-	-	-	-	-	-	-	-
<b>Net loss after taxation</b>	(2,448)	(34,116)	(36,564)	(2,673)	(229,034)	(231,707)	(5,956)	(430,549)	(436,505)
<b>Loss per share (note 3)</b>	(0.27)p	(3.75)p	(4.02)p	(0.30)p	(25.97)p	(26.27)p	(0.67)p	(48.08)p	(48.75)p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net loss on ordinary activities after taxation is also the total comprehensive loss for the period.

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

# Statement of Changes in Equity for the six months ended 30 June 2020 (unaudited)

## For the six months ended 30 June 2020 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2019	9,086	891,017	(436,934)	(13,740)	449,429
Net loss	-	-	(34,116)	(2,448)	(36,564)
<b>At 30 June 2020</b>	<b>9,086</b>	<b>891,017</b>	<b>(471,050)</b>	<b>(16,188)</b>	<b>412,865</b>

## For the six months ended 30 June 2019 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2018	8,270	813,099	(6,385)	(7,784)	807,200
Issue of shares	816	78,105	-	-	78,921
Share issue costs	-	(186)	-	-	(186)
Net loss	-	-	(229,034)	(2,673)	(231,707)
<b>At 30 June 2019</b>	<b>9,086</b>	<b>891,018</b>	<b>(235,419)</b>	<b>(10,457)</b>	<b>654,228</b>

## For the year ended 31 December 2019 (audited)

	Called-up share capital £'000	Share premium £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2018	8,270	813,099	(6,385)	(7,784)	807,200
Issue of shares	816	78,105	-	-	78,921
Share issue costs	-	(187)	-	-	(187)
Net loss	-	-	(430,549)	(5,956)	(436,505)
<b>At 31 December 2019</b>	<b>9,086</b>	<b>891,017</b>	<b>(436,934)</b>	<b>(13,740)</b>	<b>449,429</b>

# Statement of Financial Position at 30 June 2020 (unaudited)

	(Unaudited) 30 June 2020 £'000	(Unaudited) 30 June 2019 £'000	(Audited) 31 December 2019 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss (note 4)	<b>516,997</b>	777,866	561,115
<b>Current assets</b>			
Debtors	<b>606</b>	37	30
Cash at bank and in hand	<b>3,577</b>	-	2,234
Derivative financial instruments held at fair value through profit or loss	-	725	-
	<b>4,183</b>	762	2,264
<b>Current liabilities</b>			
Creditors: amounts falling due within one year (note 5)	<b>(108,315)</b>	(116,921)	(1,050)
Derivative financial instruments held at fair value through profit or loss	-	(7,479)	-
	<b>(108,315)</b>	(124,400)	(1,050)
<b>Net current (liabilities)/assets</b>	<b>(104,132)</b>	(123,638)	1,214
<b>Total assets less current liabilities</b>	<b>412,865</b>	654,228	562,329
Creditors: amounts falling due after more than one year (note 6)	-	-	(112,900)
<b>Net assets</b>	<b>412,865</b>	654,228	449,429
<b>Capital and reserves</b>			
Called-up share capital (note 7)	<b>9,086</b>	9,086	9,086
Share premium	<b>891,017</b>	891,018	891,017
Capital reserves	<b>(471,050)</b>	(235,419)	(436,934)
Revenue reserve	<b>(16,188)</b>	(10,457)	(13,740)
<b>Total equity shareholders' funds</b>	<b>412,865</b>	654,228	449,429
<b>Net asset value per share (note 8)</b>	<b>45.44p</b>	72.00p	49.46p

Registered in England and Wales as a public company limited by shares

Company registration number: 09405653

# Cash Flow Statement

## for the six months ended 30 June 2020 (unaudited)

	(Unaudited) For the six months ended 30 June 2020 £'000	(Unaudited) For the six months ended 30 June 2019 £'000	(Audited) For the year ended 31 December 2019 £'000
<b>Cash flows from operating activities</b>			
Loss before finance costs and taxation	(35,488)	(230,227)	(433,664)
Adjustments for:			
Losses on investment held at fair value through profit or loss	34,134	226,207	421,175
Net movement in forward currency contracts	-	2,827	9,373
Net movement in foreign exchange	(18)	-	1
Increase in debtors	(20)	(22)	(19)
Increase in creditors	263	312	578
<b>Net cash flow from operating activities</b>	<b>(1,129)</b>	<b>(903)</b>	<b>(2,556)</b>
<b>Cash flows from investment activities</b>			
Purchases of investments	(2,012)	(99,008)	(137,143)
Proceeds from sales of investments	11,440	131,117	191,387
Settlement of foreign forward currency contracts	-	(1,701)	(15,349)
<b>Net cash flow from investment activities</b>	<b>9,428</b>	<b>30,408</b>	<b>38,895</b>
<b>Cash flows from financing activities</b>			
Issue of shares	-	6,000	6,000
Share issue costs	-	(185)	(187)
Finance costs	(1,106)	(1,480)	(2,852)
Repayment of loan	(5,868)	-	-
<b>Net cash flow from financing activities</b>	<b>(6,974)</b>	<b>4,335</b>	<b>2,961</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,325</b>	<b>33,840</b>	<b>39,300</b>
Effect of foreign exchange	18	-	-
Change in cash and cash equivalents	1,343	33,840	39,300
Cash and cash equivalents at the beginning of the period	2,234	(149,966)	(149,966)
Reclassification of overdraft liability <sup>1</sup>	-	-	112,900
<b>Cash and cash equivalents at the end of the period</b>	<b>3,577</b>	<b>(116,126)</b>	<b>2,234</b>

<sup>1</sup>Following the amendments to the term facility agreement, the overdraft was reclassified as a loan.

# Notes to the Accounts

## 1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 31 December 2019 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

## 2. Accounting policies

### Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommend Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in October 2019.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 31 December 2019. In particular the policy on valuation of investments is consistent with that detailed in note 1(b) to the accounts for the year ended 31 December 2019, presented on pages 54 and 55 of the annual report.

## 3. Loss per share

	(Unaudited) For the six months ended 30 June 2020 £'000	(Unaudited) For the six months ended 30 June 2019 £'000	(Audited) For the year ended 31 December 2019 £'000
Revenue loss	(2,448)	(2,673)	(5,956)
Capital loss	(34,116)	(229,034)	(430,549)
Total loss	(36,564)	(231,707)	(436,505)
Weighted average number of shares in issue during the period	908,639,238	882,027,553	895,442,758
Revenue loss per share	(0.27)p	(0.30)p	(0.67)p
Capital loss per share	(3.75)p	(25.97)p	(48.08)p
<b>Total loss per share</b>	<b>(4.02)p</b>	<b>(26.27)p</b>	<b>(48.75)p</b>

# Notes to the Accounts

## 4. Investments held at fair value through profit or loss

### (a) Movement in investments

	(Unaudited) For the six months ended 30 June 2020 £'000	(Unaudited) For the six months ended 30 June 2019 £'000	(Audited) For the year ended 31 December 2019 £'000
Opening book cost	820,226	912,049	912,049
Opening investment holding (losses)/gains	(259,111)	51,564	51,564
Opening valuation	561,115	963,613	963,613
Purchases at cost	2,012	171,511	137,143
Investments received as consideration for share issue	-	-	72,921
Sales proceeds	(11,996)	(131,051)	(191,387)
Losses on investments held at fair value through profit or loss	(34,134)	(226,207)	(421,175)
Closing valuation	516,997	777,866	561,115
Closing book cost	809,139	961,509	820,226
Closing investment holding losses	(292,142)	(183,643)	(259,111)
Total investments held at fair value through profit or loss	516,997	777,866	561,115

### (b) Material revaluations of unquoted investments, including investments quoted in inactive markets, during the period

Investment	Opening valuation at 31 December 2019 <sup>1</sup> £'000	Valuation adjustment £'000	Closing valuation at 30 June 2020 £'000
Inivata	18,006	6,957	24,963
Atom Bank	80,866	(24,094)	56,772
Mission Therapeutics	15,648	(5,531)	10,117
Ratesetter	6,709	(5,382)	1,327

<sup>1</sup>Based on the closing holding at opening prices.

There were no material disposals of unquoted investments during the period.

## 5. Creditors: amounts falling due within one year

	(Unaudited) 30 June 2020 £'000	(Unaudited) 30 June 2019 £'000	(Audited) 31 December 2019 £'000
Bank loan	107,032	-	-
Other creditors and accruals	1,283	795	1,050
Bank overdraft	-	116,126	-
	108,315	116,921	1,050

On 13 December 2019, the Company ended its term facility and arranged a term loan to 15 January 2021. The loan is secured on all the Company's assets. The agreement requires that, subject to an allowance for operating expenses, the proceeds of Private Asset sales must be used to make loan repayments, which cannot be redrawn. Furthermore, the Company may not

# Notes to the Accounts

make further Private Asset investments until certain prepayment hurdles have been met. Interest payable will be calculated at LIBOR, for one month or other agreed loan period, plus a margin of 1.5%.

## 6. Creditors: amounts falling due after more than one year

	(Unaudited) 30 June 2020 £'000	(Unaudited) 30 June 2019 £'000	(Audited) 31 December 2019 £'000
Bank loan	-	-	112,900

The bank loan is drawn under an agreement which expires on 15 January 2021. At 30 June 2020, the loan has been redesignated as a loan falling due within one year, and further details are given in note 5 above.

## 7. Called-up share capital

	(Unaudited) For the six months ended 30 June 2020 £'000	(Unaudited) For the six months ended 30 June 2019 £'000	(Audited) For the year ended 31 December 2019 £'000
Ordinary shares allotted, called up and fully paid:			
Ordinary shares of 1p each:			
Opening balance of 908,639,238 (2019: 827,000,000) shares	9,086	8,270	8,270
Issue of nil (2019: 81,639,238) shares	-	816	816
Closing balance of 908,639,238 (2019: 908,639,238) shares	9,086	9,086	9,086

## 8. Net asset value per share

	(Unaudited) 30 June 2020	(Unaudited) 30 June 2019	(Audited) 31 December 2019
Net assets attributable to shareholders (£'000)	412,865	654,228	449,429
Shares in issue at the period end	908,639,238	908,639,238	908,639,238
Net asset value per share	45.44p	72.00p	49.46p

## 9. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and any derivative financial instruments.

FRS 102 requires that financial instruments held at fair value are categorised into a hierarchy consisting of the three levels below. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – valued using unadjusted quoted prices in active markets for identical assets.

Level 2 – valued using observable inputs other than quoted prices included within Level 1.

Level 3 – valued using inputs that are unobservable.

# Notes to the Accounts

The Company's investment portfolio and derivative financial instruments were categorised as follows:

	30 June 2020 (unaudited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities – quoted	46,594	–	80,811	127,405
– unquoted	–	–	389,592	389,592
<b>Total</b>	<b>46,594</b>	<b>–</b>	<b>470,403</b>	<b>516,997</b>

	30 June 2019 (unaudited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities – quoted	103,462	–	156,960	260,422
– unquoted	–	–	517,444	517,444
Derivative financial instruments – forward currency contracts	–	(6,754)	–	(6,754)
<b>Total</b>	<b>103,462</b>	<b>(6,754)</b>	<b>674,404</b>	<b>771,112</b>

	31 December 2019 (audited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities – quoted	53,476	–	80,811	134,287
– unquoted	–	–	426,828	426,828
<b>Total</b>	<b>53,476</b>	<b>–</b>	<b>507,639</b>	<b>561,115</b>

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 30 June 2019 and year ended 31 December 2019: nil).

## 10. Events after the interim date that have not been reflected in the financial statements for the interim period

### Acquisition of RateSetter

On 14 September 2020, Metro Bank PLC announced the acquisition of RateSetter, following receipt of shareholders' and regulatory approval. Under the terms of the acquisition, the Company expects to receive a total consideration which is marginally above its holding value of £1,327,000 as at 30 June 2020.

The directors have evaluated the period since the interim date and have not noted any other events which have not been reflected in the financial statements.

[www.schroders.com/publicprivatetrust](http://www.schroders.com/publicprivatetrust)

## Directors

Susan Searle (Chair)  
Raymond Abbott  
Scott Brown  
Stephen Cohen  
Jane Tufnell (Senior Independent director)

## Registered Office

Schroder Investment Management Limited  
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## Portfolio Manager & Company Secretary

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## Alternative Investment Fund Manager

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## Broker

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## Tax adviser

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## Administrator

Northern Trust Global Services SE  
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## Depository

Northern Trust Global Services SE  
50 Bank Street Canary Wharf  
London E14 5NT

Authorised by the PRA and regulated by the FCA & PRA

## Custodian

The Northern Trust Company  
50 Bank Street Canary Wharf  
London E14 5NT

## Legal adviser

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH

## Auditor

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

## Registrar

Link Asset Services Limited  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

## Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the Company's Registered Office.

## Dealing Codes

SEDOL: BVG1CF2

ISIN: GB00BVG1CF25

Ticker: SUPP

LEI: 2138008X94M7OVE73177

GIIN: U73RHA.99999.SL.826

The Company's privacy notice is  
available on its webpage.



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