

Investment Trusts Quarterly

Featured topic: Growth and income

Interest rate outlook

The Fed has advised that it plans to keep short-term interest rates close to zero until at least mid-2013, if US economic growth remains weak. The eurozone crisis and faltering UK growth suggests that the same applies here. The substantial growth in alternative asset classes offering attractive yields, such as infrastructure and floating rate debt, illustrates investors' demand for income that limits or diversifies risk and offers some protection against inflation. Investment trusts with traditional equity income mandates are also in demand and are still trading at historically tight levels. Many are trading at premiums to their NAVs, despite recent volatility in equity markets.

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Edison client profiles included in this report:

Aberdeen New Thai Investment Trust
 Agencia Debt Strategies
 Biotech Growth Trust
 Carador Income Fund
 City Natural Resources High Yield Trust
 Diverse Income Trust
 European Assets Trust
 Finsbury Growth and Income Trust
 Geiger Counter
 Golden Prospect Precious Metals
 Greenwich Loan Income Fund
 Harbourvest Global Private Equity
 Henderson Fledgling Trust
 Henderson International Income Trust
 International Biotechnology Trust
 Martin Currie Global Portfolio Trust
 Merchants Trust
 NB Global Floating Rate Income Fund
 New City Energy
 Oakley Capital Investments
 RENN Universal Growth Investment Trust
 Scottish Oriental Smaller Companies Trust
 Securities Trust of Scotland
 Worldwide Healthcare Trust

Exhibit 1: Key stats

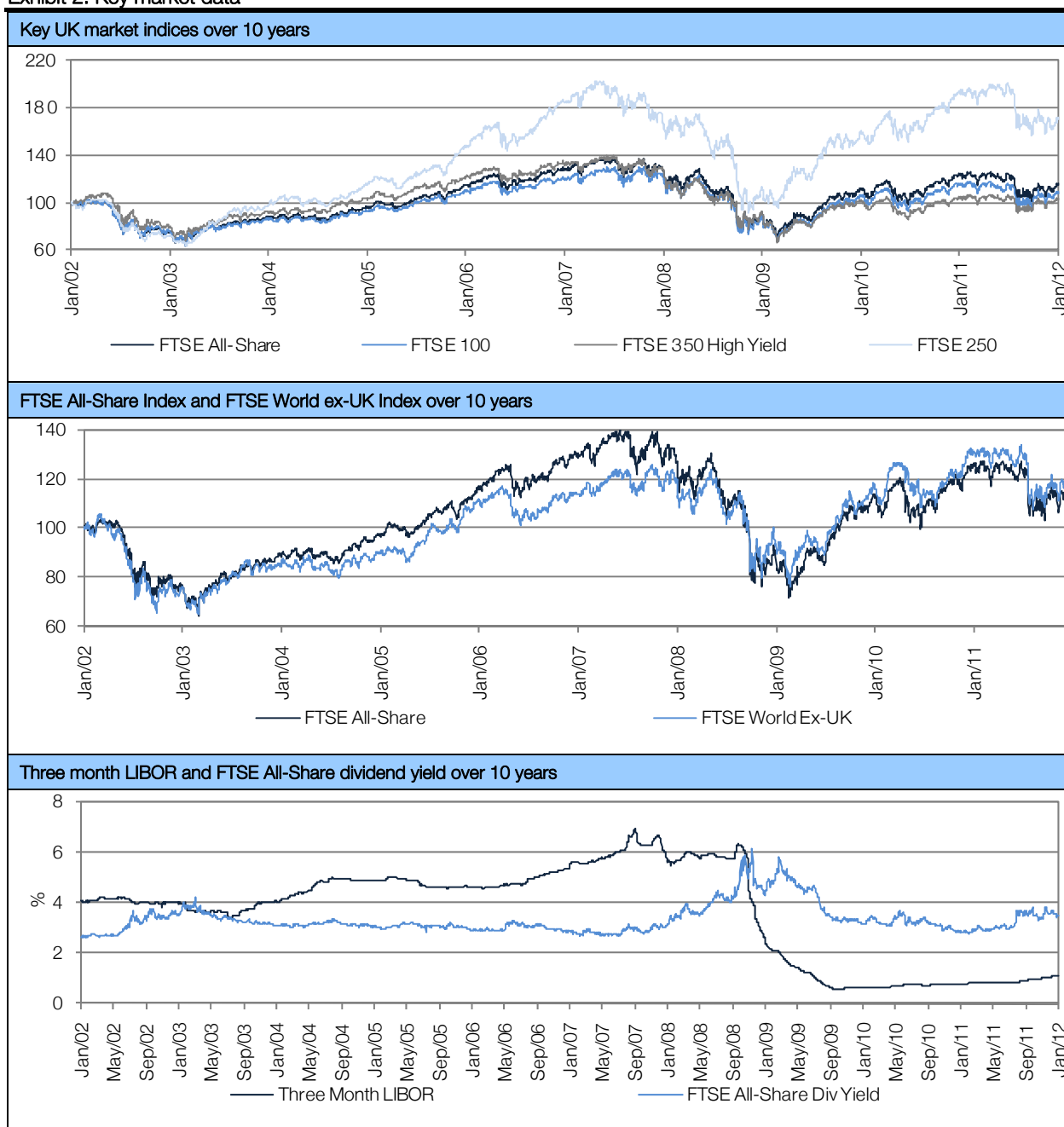
Company	Share price ret. on £100 (5 years)	(Disc)/ premium	5 year dividend growth	Dividend yield
Albany	76.8	(20.7)	2.1	4.1
British & American	80.2	(6.2)	2.7	10.6
City of London	119.4	3.6	5.4	4.6
Diverse Income Trust	N/A	(4.9)	N/A	3.7
Dunedin Income Growth	104.3	(4.3)	2.6	4.8
Edinburgh Investment	131.7	3.1	2.7	4.5
F&C Capital & Income	106.6	1.9	3.2	4.0
Finsbury Growth and Income	122.4	0.9	0.4	2.8
Invesco Income Growth	107.4	(5.4)	3.4	4.6
JPMorgan Elect Managed	83.7	(2.4)	(4.1)	4.3
Lowland	94.4	(6.4)	3.6	3.5
Merchants Trust	98.1	(7.6)	2.7	6.1
Murray Income	112.1	(0.3)	3.5	4.6
Perpetual Income & Growth	125.2	0.1	8.6	3.8
Schroder Income Growth	113.4	(4.5)	3.7	5.0
Shires Income	85.0	(2.4)	(9.0)	6.7
Standard Life Equity Income	101.9	(7.6)	3.5	4.6
Temple Bar	130.4	2.8	4.4	4.3
Troy Income & Growth	68.1	1.4	(17.4)	3.8
Value and Income	91.8	(17.9)	2.1	4.1
British Assets	106.1	(0.7)	1.4	5.1
F&C Managed Portfolio Income	N/A	(0.5)	N/A	4.8
Henderson International Income	N/A	(1.1)	N/A	4.4
London & St. Lawrence	113.6	(6.3)	23.0	2.2
Invesco Perpetual Select Global	110.1	(11.8)	2.2	4.7
Midas Income & Growth	77.7	(13.7)	2.4	6.4
Murray International	182.6	4.8	12.0	3.9
Scottish American	110.5	1.3	2.8	4.4
Securities Trust of Scotland	107.6	(0.3)	(1.6)	3.9

Source: The Association of Investment Companies

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Exhibit 2: Key market data



Sources: Thomson Datastream, Edison Investment Research

The case for growth and income trusts

The traditional rationale for investment in the sector is the expectation of receiving a higher than average dividend yield, that hopefully will grow, while retaining the opportunity for longer-term capital appreciation. The average yield on the UK FTSE All-Share Index is currently around 3.6%, while the UK growth and income trust sector average is 4.5% and the global growth and income trust sector average is 4.3%. A distinctive feature of investment trusts is that they have more ability to sustain dividends, by building up revenue reserves in the good years, which can then be drawn down when times are leaner. While this has no impact on the available income over time, it can help to avoid unwelcome volatility in investors' dividend receipts. Unsurprisingly, it is one of the focuses of Retail Distribution Review-oriented educative programs currently being promoted by some of the leading management groups and the AIC.

UK market concentration

A key issue for fund managers with UK mandates is that a large proportion of the total of market dividends paid is concentrated among a relatively small number of large-cap stocks (just six companies represent nearly 50% of total FTSE 100 dividend payments). When the unexpected occurs – as it did in 2009 when the banks cut their dividends, and again in 2010 when BP was forced to do the same – the impact can be very significant. Merchants Trust saw its revenue income fall from 27.25p per share for the year ended 31 January 2009 to 18.91p per share for the year ended 31 January 2010. Despite this, by using its revenue reserve (held for just such a purpose), Merchants still managed to increase its dividend through 2009/11 and has a 29-year record of uninterrupted dividend growth.

Merchants has also boosted the income on its portfolio by allowing the manager to write selective covered calls on portfolio holdings when he feels the short-term upside for holdings is limited, for example. Merchants Trust fund manager Simon Gergel says: “Whilst completely avoiding a repeat of events like BP is difficult, income portfolios can still have a sufficient number of stocks to offer a good level of diversification. In addition, income portfolios tend to be relatively defensive in their positioning anyway and most income portfolios are managed with a view to preserving income. The board of Merchants considers the dividend to be very important to shareholders and believes it is prudent management to build up sufficient reserves during the good, or average, periods, to offset one-off events during leaner times. That policy has served Merchants well. Despite the current slow down, margins are very healthy, companies are generating a lot of cash and the outlook for dividends is positive. As such, this is not a concern at present”.

The small-cap approach

When Diverse Income Trust (DIVI) floated in April 2011, its fund manager, Gervais Williams, specifically highlighted the problem of the high concentration of UK dividends, leading many fund managers to be exposed to a similar, small number of stocks. Williams suggested that investors should consider what he believes to be an attractive alternative opportunity: to pick up good and growing dividends among out-of-fashion small capitalisation stocks. Williams says: “In a low growth environment, and particularly one where credit is more constrained, I believe that many large-cap companies will ultimately be forced to reflect the general lack of growth in their dividend progression. In contrast, the niche markets of some smaller companies can buck the trend, and therefore fund a growing dividend stream in spite of the macro environment. What gets me excited is that small caps have seen a progressive reduction of institutional interest over the last 25 years, given most have reallocated to back the globalisation trade. However, those days are over and I believe that managers are belatedly waking-up to the fact that many of our domestic growth stocks have fallen so far out of favour that they are valued as income stocks currently”. Williams’ strategy does mean investors earn a lower dividend yield in the short term, but if he is right about the relative growth prospects of small capitalisation stocks then the reward may well come with both faster dividend growth and capital appreciation.

International exposure

At around the same time that DIVI was coming to market, Henderson was also launching its first new trust since 2007, the Henderson International Income Trust (HINT). Henderson acknowledged the concentration of UK dividends and UK income trusts in a relatively small number of large-cap stocks. Therefore, in looking to offer an alternative, HINT was given a unique mandate to invest in income

stocks that are exclusively outside the UK. Henderson believes the prospects for international income dividends are just as strong as in the UK and it also has a larger investment universe to pick from. By sticking to an ex-UK mandate, HINT gives investors in UK stocks a clear way to diversify their holdings, without any fear of duplication. Fund manager Ben Lofthouse says: "In managing HINT, I have the support of a specialist team of investment professionals, each focused on their particular geographic markets, with strategy contribution from Bill McQuaker, deputy head of equities. This range of expertise enables the trust to choose investments from a very wide range of stocks all around the world. The market has been tough for the last four years but many companies have responded positively to these challenges and have come through with improved competitive positions, stronger balance sheets and margins that are at or close to record levels. We believe that share prices on cyclical stocks are pricing in an aggressive slow down, but looking through to portfolio company results and orders, we do not see the world falling off a cliff and consider that companies are much better positioned than they were to survive any slowdown than they were three years ago. We have avoided European banks and utilities but we like global utilities and see opportunities in the non-life insurance space".

Securities Trust of Scotland (STS) was one of a number of trusts forced to cut its dividend post BP. The trust has maintained its dividend for 2011 but, following shareholder approval at the July 2011 AGM, the investment mandate was changed from a UK focus to a diversified global portfolio. The rationale for the change was partly the UK dividend concentration risk, but also the belief that STS was missing out on attractive opportunities presented by the increasing globalisation of commerce. Reflecting the new mandate, Alan Porter was appointed as manager from 1 August 2011. Porter says: "There is still no clear picture as to how the European sovereign debt crisis will unfold and the US debt ceiling remains an ongoing issue. Much of the recent global economic data that has emerged has been downbeat in nature and the broad consensus thinks that global growth is likely to flat-line at best. I believe markets are pricing in a double-dip recession and so the portfolio is underweight in cyclical stocks and we continue to focus on holding businesses with strong balance sheets and good cash flow generation. That said, little has actually changed in terms of long-term fundamentals and, looking at individual portfolio companies, balance sheets are strong, margins are very healthy and cash generation is very good. Companies are not committing to capex or making acquisitions, reflecting a cautious outlook in the near term but, against the broader market, valuations look attractive in a historical context. There is clearly further downside risk to earnings, and thus short-term valuations, but I see good uplift potential as markets move back into a risk-on phase".

A low turnover alternative

Finsbury Growth and Income Trust (FGT) is a UK-focused fund that primarily invests in larger and medium-sized companies listed on the UK equity markets. Its portfolio remains relatively lightly exposed to the very large-cap, high-dividend-paying UK companies. The manager, Nick Train, is a fierce advocate of the Buffet doctrine and only invests in companies that are expected to consistently weather macroeconomic cycles. These will have strong business franchises and sound management, will be acquired when deemed underpriced, and held with great conviction over the longer term. Train says: "In managing FGT, we look to identify long-term latent value and, as such, our approach is in part decoupled from the UK economic outlook. We believe that, despite recent difficulties, the world will ultimately muddle through its current malaise. We maintain a long-term positive outlook on the UK economy but ultimately we observe that throughout our careers and

longer, there has always been some macroeconomic worry or other, but this has not prevented growing industries and companies creating substantive wealth for their owners”.

Performance

Both UK and global growth and income sectors (AIC classification) have beaten the broader UK market, as measured by the FTSE All-Share in total return terms, over one, three, five and 10 years. Over five and 10 years the global trusts have, on average, clearly outperformed the UK trusts (with growth of 48% and 166% vs 16% and 97% respectively). Over three years, the outperformance is much less pronounced and over one year the UK is ahead. In terms of current valuation, it is difficult to make a call between the two groups. The UK group is at a very slight yield premium to the global group, although the five-year dividend growth record of the global group is the stronger (7.6% vs 3.5% for the UK group). The UK group sits at a small average discount of 0.6% and the global group at a small average premium of 1.8%.

Exhibit 3: UK growth and income sector, as at 10 January 2012

Company	Share price total return on £100				Total expense ratio	(Disc)/ prem	Net gearing (100 = no gearing)	5 year dividend growth (%)	Div yield
	1 year	3 years	5 years	10 years					
Sector average	103.3	163.5	115.9	197.4	0.75	(0.6)	114	3.5	4.5
Albany	93.3	125.8	76.8	179.4	1.46	(20.7)	95	2.1	4.1
British & American	101.4	152.0	80.2	147.2	1.78	(6.2)	154	2.7	10.6
City of London	104.0	152.5	119.4	189.1	0.46	3.6	110	5.4	4.6
Diverse Income Trust	N/A	N/A	N/A	N/A	N/A	(4.9)	87	N/A	3.7
Dunedin Income Growth	100.5	159.9	104.3	160.1	0.66	(4.3)	111	2.6	4.8
Edinburgh Investment	108.8	171.3	131.7	181.9	0.68	3.1	120	2.7	4.5
F&C Capital & Income	98.8	137.1	106.6	185.9	0.91	1.9	105	3.2	4.0
Finsbury Growth and Income	106.1	192.3	122.4	260.5	1.09	0.9	107	0.4	2.8
Invesco Income Growth	108.5	150.7	107.4	176.8	1.01	(5.4)	111	3.4	4.6
JPMorgan Elect Managed Growth	101.7	140.5	83.7	132.3	0.70	(2.4)	98	(4.1)	4.3
Lowland	97.5	203.2	94.4	218.0	0.62	(6.4)	114	3.6	3.5
Merchants Trust	95.5	160.5	98.1	162.9	0.64	(7.6)	123	2.7	6.1
Murray Income	102.9	162.0	112.1	197.0	0.77	(0.3)	110	3.5	4.6
Perpetual Income & Growth	104.8	153.0	125.2	260.4	1.04	0.1	117	8.6	3.8
Schroder Income Growth	101.9	139.2	113.4	201.6	1.00	(4.5)	99	3.7	5.0
Shires Income	98.5	166.7	85.0	111.9	1.13	(2.4)	129	(9.0)	6.7
Standard Life Equity Income	90.9	132.5	101.9	166.2	0.98	(7.6)	112	3.5	4.6
Temple Bar	104.2	177.8	130.4	224.5	0.52	2.8	112	4.4	4.3
Troy Income & Growth	108.7	180.0	68.1	130.8	1.24	1.4	94	(17.4)	3.8
Value and Income	99.2	171.7	91.8	194.9	0.92	(17.9)	130	3.1	4.3
FTSE All-Share	97.9	145.9	109.5	163.3					
FTSE 100	99.1	142.9	111.4	156.5					
FTSE 250	92.0	169.0	107.5	227.5					
FTSE 350	98.1	145.7	110.6	164.3					
FTSE 350 High Yield	104.4	134.0	100.3	162.0					

Source: The Association of Investment Companies

Exhibit 4: Global growth and income sector, as at 10 January 2012

Company	Share price total return on £100				Total expense ratio	(Disc)/ prem	Net gearing (100 = no gearing)	5 year dividend growth (%)	Div yield
	1 year	3 years	5 years	10 years					
Sector average	99.6	170.8	148.0	266.2	0.78	1.8	117	7.6	4.3
British Assets	90.9	149.4	106.1	139.4	0.60	(0.7)	120	1.4	5.1
F&C Managed Portfolio Income	91.6	155.7	N/A	N/A	1.45	(0.5)	106	N/A	4.8
Henderson International Income	N/A	N/A	N/A	N/A	N/A	(1.1)	100	N/A	4.4
London & St. Lawrence	90.3	127.3	113.6	N/A	1.13	(6.3)	98	23.0	2.2
Invesco Perpetual Select Global Equity	98.0	137.3	110.1	194.8	0.70	(11.8)	99	2.2	4.7
Midas Income & Growth	92.5	128.0	77.7	N/A	1.73	(13.7)	108	2.4	6.4
Murray International	103.8	179.5	182.6	350.0	0.74	4.8	117	12.0	3.9
Scottish American	91.6	188.3	110.5	170.9	0.92	1.3	127	2.8	4.4
Securities Trust of Scotland	113.4	163.8	107.6	162.0	0.70	(0.3)	105	(1.6)	3.9
FTSE All-Share	97.9	145.9	109.5	163.3					
FTSE 100	99.1	142.9	111.4	156.5					
FTSE 250	92.0	169.0	107.5	227.5					
FTSE 350	98.1	145.7	110.6	164.3					
FTSE 350 High Yield	104.4	134.0	100.3	162.0					

Source: The Association of Investment Companies

Exhibit 5: Edison's investment trust clients

Aberdeen New Thai Investment Trust				Code: ANW		Market Cap: £51.5m	
Share price total return on £100				10 years	(Discount)/ premium (%)	Dividend yield	
1 year	3 years	5 years				(%)	(%)
101.0	233.4	200.0		768.1	(12.3)	2.9	
Aberdeen New Thai Investment Trust's investment objective is to provide shareholders with long-term, above-average capital growth through investment in Thailand. Its assets are invested in a diversified portfolio of securities – substantially in the form of equities or equity-related securities such as convertible securities and warrants – in companies spread across a range of industries quoted on the Stock Exchange of Thailand.				Launch date	December 1989		
				AIC sector	Country Specialists: Asia Pacific		
				Management group	Aberdeen Asset Management Asia		
				Manager	Asian equities team		
				Website	www.newthai-trust.co.uk		
				Dividend policy	One dividend annually, paid in July.		
Acencia Debt Strategies				Code: ACD		Market Cap: £98.5m	
Share price total return on £100				10 years	(Discount)/ premium (%)	Dividend yield	
1 year	3 years	5 years				(%)	(%)
105.4	163.4	81.7		-	(15.5)	4.3	
Acencia Debt Strategies' primary investment objective is to provide annual returns in excess of three-month LIBOR plus 5% over a rolling three-year period, and annual standard deviation of under 5%. The company's principal activity is to invest in an actively-managed portfolio of predominantly debt-oriented hedge funds.				Launch date	November 2005		
				AIC sector	Hedge Funds		
				Management group	Saltus Fund Management		
				Manager	Saltus Partners		
				Website	www.acencia.co.uk		
				Dividend policy	ACD aims to pay two dividends annually totalling 3.5% of the NAV.		
Biotech Growth Trust				Code: BIOG		Market Cap: £125.8 m	
Share price total return on £100				10 years	(Discount)/ premium %	Dividend yield	
1 year	3 years	5 years				(%)	(%)
116.2	162.7	175.2		144.4	(12.9)	0.0	
The Biotech Growth Trust seeks capital appreciation through investing in the worldwide biotechnology industry, mainly in emerging biotechnology companies. Performance is measured against its benchmark index, the NASDAQ Biotechnology Index (sterling adjusted).				Launch date	June 1997		
				AIC sector	Sector Spec: Biotechnology/Life		
				Management group	Frostrow Capital		
				Manager	OrbiMed Capital		
				Website	www.biotechgt.com		
				Dividend policy	Dividends are paid only as required to maintain investment trust status. Any dividends are expected to be small.		
Carador Income Fund				Code: CIFU		Market Cap: US\$261.0m	
Share price total return on £100				1 year	(Discount)/ premium (%)	Dividend yield	
1 year	3 years	5 years				(%)	(%)
122.4	255.2	-		122.4	3.8	12.2	
Carador Income Fund (CIFU) invests in a highly diversified portfolio of loans through the securities of CLO structures with an objective to provide stable returns with low volatility compared with equity markets. There are two classes (euro-denominated and US dollar-denominated) of ordinary shares, with a quarterly conversion option.				Launch date	April 2006		
				AIC sector	N/A		
				Management group	The Blackstone Group LP		
				Manager	GSO Capital Partners International		
				Website	www.carador.co.uk		
				Dividend policy	Quarterly dividends paid in November, February, May and August.		

City Natural Resources High Yield Trust			Code: CYN	Market Cap: £166.6m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
72.3	308.8	197.8	72.3	(17.1)	1.7
<p>City Natural Resources High Yield Trust's investment objective is to provide shareholders with capital growth and income from a portfolio of mining and resource equities, resources and industrial fixed interest securities.</p>			Launch date	November 1994	
			AIC sector	SS: Commods and Natural Resources	
			Management group	New City Investment Managers	
			Manager	Will Smith and Ian Francis	
			Website	www.ncim.co.uk	
			Dividend policy	Quarterly dividends paid in November, February, May and August. CYN aims to progress the total dividend annually.	
Diverse Income Trust			Code: DIVI	Market Cap: £43.8m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
-	-	-	-	(3.0)	0.0
<p>The Diverse Income Trust targets an attractive and growing level of income with long-term capital growth, investing in a diversified portfolio of primarily UK-listed equities. It has a stronger focus on small- and very small-cap stocks than is typical of the UK Income & Growth peer group. As a stock-specific portfolio there is no benchmark but the trust targets an initial yield of around 4% for the period to 31 May 2012 and income growth higher than other income funds.</p>			Launch date	April 2011	
			AIC sector	UK Growth & Income	
			Management group	MAM Funds	
			Manager	Gervais Williams, Martin Turner	
			Website	www.mamfundsplc.com	
			Dividend policy	Quarterly dividends (Nov, Feb, May and Aug). Each year, DIVI aims to distribute substantially, all income net of costs.	
European Assets Trust			Code: EAT	Market Cap: £81.5m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
92.3	146.3	80.3	92.3	(11.4)	8.5
<p>European Assets Trust is an investment company incorporated in the Netherlands and listed on the LSE and Euronext. It targets capital growth through investment in quoted medium-sized companies in Europe (ex-UK), taking the HSBC Europe (ex-UK) Smaller Companies Index as a benchmark. A high distribution policy has been adopted; dividends have been paid from a combination of income and capital.</p>			Launch date	1972	
			AIC sector	European Smaller Companies	
			Management group	F&C Management	
			Manager	Sam Cosh	
			Website	www.europeanassets.eu	
			Dividend policy	Three dividends annually (January, May and August) totalling 6% of the opening NAV at the start of the financial year.	
Finsbury Growth and Income Trust			Code: FGT	Market Cap: £194.4m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
106.1	192.4	122.5	106.1	1.8	2.8
<p>Finsbury Growth and Income Trust's investment objective is to achieve capital and income growth and provide shareholders with a total return in excess of that of the FTSE All-Share Index. It invests principally in the securities of UK quoted companies. Up to a maximum of 20%, at the time of acquisition, can be invested in quoted companies worldwide. FTSE 100 companies normally represent between 50% and 100% of the portfolio with at least 70% usually invested in FTSE 350 companies.</p>			Launch date	January 1926	
			AIC sector	UK Growth & Income	
			Management group	Frostrow Capital	
			Manager	Nick Train	
			Website	www.finsburygt.com	
			Dividend policy	Two dividends annually, paid in May and October. The dividend is expected to rise over the longer term.	

Geiger Counter			Code: GCL	Market Cap: £37.5m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
45.3	166.8	57.5	45.3	(24.9)	0.0
<p>Geiger Counter's investment objective is to deliver returns to shareholders seeking the potential for capital growth. It invests in the securities of companies involved in the exploration, development and production of energy, as well as related service companies. These include, but are not limited to, shares, convertibles, fixed income securities and warrants. The main focus is the uranium sector, but up to 30% of assets can be invested in other resource-related companies.</p>			Launch date	July 2006	
			AIC sector	SS: Commodities and Natural	
			Management group	New City Investment Managers	
			Manager	John Wong and Will Smith	
			Website	www.ncim.co.uk	
			Dividend policy	Reflecting its capital appreciation objective, GCL does not currently pay dividends.	
Golden Prospect Precious Metals			Code: GPM	Market Cap: £58.7m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
91.6	374.6	88.8	91.6	(0.9)	0.0
<p>Golden Prospect Precious Metals' investment objective is to generate above-average returns to shareholders, primarily through the capital appreciation of its investments. GPM invests selectively in a portfolio of securities and other instruments in the precious metals, diamond and uranium sectors. These include, but are not limited to, shares, convertibles, fixed income securities, and warrants as well as physical commodities.</p>			Launch date	October 2006	
			AIC sector	N/A	
			Management group	New City Investment Managers	
			Manager	John Wong	
			Website	www.ncim.co.uk	
			Dividend policy	Reflecting its capital appreciation objective, GPM does not currently pay dividends.	
Greenwich Loan Income Fund			Code: GLIF	Market Cap: £43.0m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
160.1	459.8	66.2	160.1	(39.1)	9.2
<p>Greenwich Loan Income Fund is a closed-ended Guernsey registered investment company that invests in the US syndicated corporate loan market across a wide range of sectors. It invests primarily in loans to middle-market companies. Typically the loans are secured against assets and will have traditional credit-based covenants. The investments are senior debt and have either a first or second lien collateral position in the issuer's assets. GLIF focuses on companies with experienced management, a strong competitive advantage, positive cash flow and a clear exit strategy. The portfolio of loans is leveraged with a CLO subsidiary.</p>			Launch date	August 2005	
			AIC sector	Sector Specialist: Debt	
			Management group	T2 Advisers	
			Manager	J. Cohen, P. Conroy & S. Barak	
			Website	www.glifund.com	
			Dividend policy	Quarterly dividends (March, June, September, December) while providing a stable and predictable dividend yield.	
Harbourvest Global Private Equity			Code: HVPE	Market Cap: US\$522.9m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
106.1	-	-	106.1	(43.2)	0.0
<p>HarbourVest Global Private Equity is a Guernsey closed-ended investment company that aims to provide long-term capital appreciation through a private equity portfolio well diversified by vintage year, geography, industry and strategy.</p>			Launch date	December 2007	
			AIC sector	Private Equity	
			Management group	HarbourVest Global Private Equity	
			Manager	HarbourVest Advisers LP	
			Website	www.hvgpe.com	
			Dividend policy	HVPE has a capital gains investment objective and does not pay dividends.	

Henderson Fledgling Trust			Code: HFT	Market Cap: £51.6m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
70.6	182.2	80.1	70.6	(17.0)	2.3
Henderson Fledgling Trust's investment objective is to provide long-term growth in capital and dividends from investment predominantly in the constituents of the FTSE Fledgling (ex. Investment Companies) Index.			Launch date	December 1994	
			AIC sector	UK Smaller Companies	
			Management group	Henderson Global Investors	
			Manager	Harmesh Suniara, Adam McConkey	
			Website	www.hendersonfledglingtrust.com	
			Dividend policy	Two dividends annually, interims paid in May and final paid in December. HFT seeks to pay an increasing dividend.	
Henderson Global Trust			Code: HGL	Market Cap: £121.9m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
87.6	139.9	134.7	87.6	(9.8)	2.7
Henderson Global Trust's objective is long-term capital growth from a concentrated portfolio of international equities, with a secondary objective to increase dividends. The manager aims to outperform (by at least 2%) the composite benchmark, which comprises 50% FTSE All-Share Index and 50% Morgan Stanley Capital World Index ex UK, within a target tracking error of not more than 5%.			Launch date	February 1929	
			AIC sector	Global Growth	
			Management group	Henderson Global Investors	
			Manager	Brian O'Neill	
			Website	www.gartmoreglobaltrust.co.uk	
			Dividend policy	Two dividends annually, interims paid in October and finals in April. The dividend is expected to rise over the longer term.	
Henderson International Income Trust			Code: HINT	Market Cap: £39.9m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
-	-	-	-	2.2	1.5
Henderson International Income Trust's investment objective is to provide a high and rising level of dividends as well as capital appreciation over the long term from a focused and internationally diversified portfolio of securities outside the UK. Performance is measured against the MSCI World Ex-UK Index (sterling adjusted). HINT does not invest in issuers whose securities, at the time of investment, are only traded in the UK.			Launch date	28 April 2011	
			AIC sector	Global Growth & Income	
			Management group	Henderson Global Investors	
			Manager	Ben Lofthouse	
			Website	www.hendersoninternationalincometrust.com	
			Dividend policy	Quarterly dividends paid in February, May, August and November. HINT aims to maintain a high and rising dividend.	
International Biotechnology Trust			Code: IBT	Market Cap: £87.6m	
Share price total return on £100				(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years	1 year		
107.1	122.8	102.8	107.1	(19.1)	0.0
International Biotechnology Trust aims to achieve long-term capital growth by investing in development stage biotechnology and other life sciences companies, both quoted and unquoted, that have high growth potential. It invests in companies considered to have good prospects, experienced management and strong upside potential through the development and/or commercialisation of a product, device or enabling technology.			Launch date	May 1994	
			AIC sector	Sector Spec: Biotechnology/Life	
			Management group	SV Life Sciences Managers	
			Manager	D. Pinniger, K. Bingham	
			Website	www.ibtplc.com	
			Dividend policy	Reflecting its capital appreciation objective, IBT's current policy is to not pay dividends.	

Martin Currie Global Portfolio Trust			Code: MNP	Market Cap: £133.9m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
104.1	149.8	125.3	104.1	(6.6)	2.7
<p>Martin Currie Global Portfolio Trust's objective is to achieve long-term capital growth in excess of the capital return of the FTSE World Index by investing in a diversified portfolio of international quoted investments.</p>			Launch date	March 1999	
			AIC sector	Global Growth	
			Management group	Martin Currie Investment Mgmt	
			Manager	Tom Walker	
			Website	www.martincurrieportfolio.com	
			Dividend policy	Two dividends annually, interims paid in October and finals in June.	
Merchants Trust			Code: MRCH	Market Cap: £386.6m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
95.5	160.5	98.1	95.5	(5.3)	6.1
<p>The investment objective of the Merchants Trust is to provide an above-average level of income and income growth together with long-term growth of capital through investing mainly in higher-yielding UK FTSE 100 companies.</p>			Launch date	February 1889	
			AIC sector	UK Growth & Income	
			Management group	Allianz Global Investors/RCM (UK)	
			Manager	Simon Gergel	
			Website	www.merchantstrust.co.uk	
			Dividend policy	Quarterly dividends paid in Feb, May, Aug and Nov. MRCH aims to maintain a high and growing dividend.	
NB Global Floating Rate Income Fund			Code: NBL5	Market Cap: £226.4m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
-	-	-	-	0.6	0.0
<p>NB Global Floating Rate Income Fund invests primarily in senior secured bank loans with an investment objective to provide regular dividends at sustainable levels, while growing the capital value of its investment portfolio over the long term. There are two classes (sterling denominated and US dollar denominated) of ordinary shares, with a monthly conversion option, and subsequently issued US dollar and sterling non-voting C shares. US dollar ordinary shares carry one vote and sterling shares 1.6 votes.</p>			Launch date	April 2011	
			AIC sector	Sector Specialist: Debt	
			Management group	Neuberger Berman Group	
			Manager	Neuberger Berman Europe	
			Website	www.nbgfrif.com	
			Dividend policy	Quarterly dividends (paid in Mar, Jun, Sep and Dec). NBL5 aims to provide a regular sustainable dividend.	
New City Energy			Code: NCE	Market Cap: £27.8m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
70.3	264.2	-	70.3	(23.1)	3.2
<p>New City Energy's investment objective is to deliver returns to shareholders, principally in the form of capital growth, but with some prospect of income. NCE invests in the securities of companies involved in the exploration, development and production of energy, as well as related service companies. These include, but are not limited to, shares, convertibles, fixed income securities and warrants. Up to 30% of assets can be invested in companies outside the energy sector.</p>			Launch date	February 2008	
			AIC sector	N/A	
			Management group	New City Investment Managers	
			Manager	Will Smith and Ian Francis	
			Website	www.ncim.co.uk	
			Dividend policy	Quarterly dividends paid in January, April, July and October.	

Oakley Capital Investments			Code: OCL	Market Cap: £167.8 m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
89.7	206.3	-	89.7	(27.2)	0.0
Oakley Capital Investments aims to provide significant long-term capital appreciation by investing in a portfolio of private mid-market UK and European companies. The manager looks to add value by purchasing businesses at depressed valuations and making strategic and operational improvements.			Launch date	August 2007	
			AIC sector	N/A	
			Management group	Oakley Capital	
			Manager	Oakley Capital Private Equity	
			Website	www.oakleycapitalinvestments.com	
			Dividend policy	Reflecting its capital appreciation objective, OCL's current policy is to not pay dividends.	
RENN Universal Growth Investment Trust			Code: RUG	Market Cap: £31.5m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
68.2	98.6	60.2	68.2	(31.8)	0.0
RENN Universal Growth Investment Trust's investment objective is to achieve capital growth and outperform its benchmark, the Russell 2000 Index. Investments are made in companies listed, quoted or domiciled in the US and Canada, typically with market capitalisations below \$1bn. It may also invest in unlisted US companies.			Launch date	May 1996	
			AIC sector	North American Smaller Companies	
			Management group	RENN Capital Group	
			Manager	Russell Cleveland	
			Website	www.renaissanceusgrowth.co.uk	
			Dividend policy	Reflecting its capital appreciation objective, RUG's current policy is to not pay dividends.	
Scottish Oriental Smaller Companies Trust			Code: SST	Market Cap: £166.5m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
90.2	274.8	220.6	90.2	(6.1)	1.6
Scottish Oriental Smaller Companies Trust's objective is to provide shareholders with long-term capital growth through investment in smaller Asian-quoted companies. Its assets are invested in a diversified portfolio of securities – mostly in the form of equities, although other listed investment companies and equity-related securities such as convertible bonds and warrants are permitted in Asia (excluding Japan and Australasia).			Launch date	March 1995	
			AIC sector	Asia-Pacific ex Japan	
			Management group	First State Investments	
			Manager	Susie Rippingall	
			Website	www.scottishoriental.co.uk	
			Dividend policy	One dividend annually, paid in January. The board intends to maintain this level of dividend, using reserves if necessary.	
Securities Trust of Scotland			Code: STS	Market Cap: £118.8 m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
113.4	163.7	107.6	113.4	0.8	3.9
The investment objective of the company is to provide rising income and long-term capital growth through a portfolio of global equities. Performance is measured against the MSCI World High Dividend Yield index (MSWRDHY).			Launch date	June 2005	
			AIC sector	Global Growth & Income	
			Management group	Martin Currie Investment Mgmt	
			Manager	Alan Porter	
			Website	www.securitiestrust.com	
			Dividend policy	Quarterly dividends paid in March, June, September and December.	

<u>Worldwide Healthcare Trust</u>			Code: WWH	Market Cap: £320.3m	
Share price total return on £100				(Discount)/	Dividend yield
1 year	3 years	5 years	1 year	premium (%)	(%)
107.3	141.3	159.9	107.3	(9.9)	2.0
The investment objective of the Worldwide Healthcare Trust is to invest worldwide in pharmaceutical, biotechnology and related securities in the healthcare sector, with the objective of achieving a high level of capital growth. Gearing and derivative transactions are used with a view to mitigating risk and enhancing capital returns.			Launch date	April 1995	
			AIC sector	Sector Spec: Biotechnology/Life	
			Management group	Frostrow Capital	
			Manager	OrbiMed Capital (Sam D Isaly)	
			Website	www.worldwidewh.com	
			Dividend policy	One dividend annually, paid in July, assuming adequate profitability. Level may vary accordingly.	

Source: Thomson Datastream, Edison Investment Research, companies

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