

**Schroder UK Public  
Private Trust plc**  
**Half Year Report and Accounts**

**For the six months ended  
30 June 2021**



## **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 2021



Net Asset Value  
(NAV) per share



Share price

## Other financial information

	30 June 2021	31 December 2020	% Change
Shareholders' funds (£'000)	369,376	318,069	16.1
Shares in issue	908,639,238	908,639,238	-
NAV per share (pence)	40.65	35.00	16.1
Share price (pence)	33.45	31.00	7.9
Share price discount to NAV per share (%)	17.7	11.4	
(Net cash)/gearing (%) <sup>1</sup>	(0.3)	31.6	

<sup>1</sup>Gearing represents borrowings used for investment purposes, less cash, expressed as a percentage of net assets. If the figure so calculated is negative, this is shown as a "Net cash" position.

# Chairman's Statement



## Introduction

I am pleased to present my first report as Chairman following the retirement of Susan Searle from the Board at the AGM in June 2021.

My Board colleagues and I would like to thank Susan Searle for her six years of service to the Company as Chair, which dates back to the launch of the Company and included the change of Portfolio Manager to Schroders, as well as

overseeing the refreshing of the Board and the renegotiation of the debt. We wish her well for the future.

## Performance and valuation

During the six month period to 30 June 2021, the net asset value ("NAV") per share increased 16.1% from 35.00p per share to 40.65p per share. The share price also increased by 7.9% from 31.00p to 33.45p in the same period.

The recovery in the NAV so far this year, driven by a number of positive developments within the Company's portfolio, is encouraging. These developments, previously announced to the market, include the sale of businesses such as Inivata and Kuur Therapeutics and the IPO of Immunocore. The valuation of Oxford Nanopore has seen a significant rerating as recent funding rounds have increased the company's valuation materially ahead of its anticipated IPO later this year.

## Progress on rebalancing portfolio

Further strategic progress was made during the period on moving towards a more balanced portfolio. Several transactions have allowed the Company to reduce its gearing as well as make progress against its target of making new investments into two public and two private companies in 2021.

Thanks to the proceeds from the basket of sales to Rosetta Capital in March 2021 and Sanofi's acquisition of Kymab, our Portfolio Manager has for the first time been able to make new private investments and we were delighted to report two investments made into exciting opportunities in Tessian and Revolut. Further details of these new private investments may be found in the Portfolio Manager's Review.

On the public side the Portfolio Manager has made one new investment during the period. In June 2021 the Company made an initial investment into Johnson Matthey, a leading global chemicals company based in the UK which is developing cutting edge innovative applied materials and solutions. This increase in the portfolio's listed exposure has the additional benefit of improving the liquidity profile of the Company.

Following these developments the portfolio ends the period with 34 holdings, 25 of which are unquoted and 9 of which are quoted. I look forward to being able to report further new investments to shareholders over the next 6 months, and in the years to come.

Detailed analysis of changes in valuation and an update on holdings may be found in the Portfolio Manager's Review.

## Reduction of gearing and modified Policy

Since assuming management of the portfolio, Schroders has worked closely with the Board to reduce the level of gearing in the Company's portfolio and I am pleased to report that in the six months to 30 June 2021, the Company's gearing was reduced to zero and net current assets stood at £27.4 million by the end of the period under review. The effort involved and the scale of achievement this represents, given the situation two years ago, should not be underestimated.

The term loan was replaced with a revolving credit facility upon the balance reducing to £60 million and then completely repaid thereafter. The Board expects to reduce the size of this facility from £55 million to £40 million as this amount better reflects the Board's and Schroders' anticipated prudent use of gearing and will meaningfully reduce the cost of the facility.

The revolving credit facility will be used on a short-term basis in future and only when there is visibility on the ability to pay down debt within a 12 month period. The Portfolio Manager will seek to utilise the facility when market conditions and the investment case of a company matches the portfolio managers' criteria for making leveraged investments.

## Discount management

Whilst the Company's NAV per share increased in the six months to 30 June 2021, the share price discount to NAV per share widened from 11.4% to 17.7%. Volatility in the Company's share price has, however, abated and whilst the Board did not use the buyback authority renewed on 4 June 2021, it considers buybacks a useful mechanism for discount management and will consider buybacks when appropriate.

## Change of joint portfolio manager

Schroders employs a collaborative, team-based approach to investment, combining skill, experience and research resources across both public and private equity.

The Company's private investments are managed by Schroders' specialist private equity team, Schroders Capital, which has over 20 years' experience successfully investing in companies, both directly via direct co-investment and through funds. The private portion of the Company's portfolio is managed by Tim Creed, Schroders Capital's Head of Private Equity Investments. Tim is a member of the firm's Global Investment Committee and he is supported by a sizable team of private equity investment professionals that are committing a substantial amount of their time to the portfolio.

# Chairman's Statement

On the public equity side, Schroders leverages stock selection expertise from across their public equities teams. Since the appointment of Schroders, Ben Wicks has been responsible for the Company's public equity investments and has drawn on the wide experience of Schroders' public equity analysts and fund managers globally. Ben will shortly take a leave of absence from Schroders for a period of paternity leave and, on his return, will focus on his roles as Head of Research Innovation and Co-Leadership of Schroders' Data Insights Unit. In accordance with a succession plan agreed by the Board, Roger Doig will take on responsibility for the public equity investments with immediate effect.

Roger has been a senior analyst in Schroders' pan-European equity research team since 2014, prior to which he was a member of Schroders' European credit research team. He has been working closely with Ben and the wider Schroders equity investment team since soon after Schroders took over the management of the Company, researching and developing a pipeline of potential investment opportunities.

Roger will be supported by Jack Dempsey. Jack's investment experience began when he joined Schroders in 2016. He has strong experience in the UK markets having worked on a number of strategies focused on UK & European companies in the past, with a particular focus on small and mid-cap names and is currently the lead portfolio manager of the Schroder ISF Italian Equity fund. Jack has been working with the wider SUPP team since June 2021.

Schroders will continue to leverage its stock selection expertise from across their public equities teams, as well as its wider investment capabilities in its Data Insights and Sustainability units, in pursuit of identifying leading businesses of the decades ahead.

## Valuation Reporting Frequency

In March 2020 the Board moved from daily portfolio valuations to quarterly, given the predominantly private nature of the portfolio at that time. Given the ongoing strategy of rebalancing the portfolio and the increase in the Company's exposure to listed holdings, the Board intends to move valuation reporting frequency back to a daily basis should the public equities in the portfolio come to represent around 40% or more of the overall portfolio, but probably not later than 1 January 2022.

Private investments will continue to undergo a rigorous quarterly valuation process and retrospective valuations covering these private investments will be released either in the full year accounts, the interim report or the quarterly updates. The Board will update shareholders on this change in due course.

## Outlook

The Board is pleased with the strong absolute progress made by the Company in the six months ended 30 June. The reduction in debt leaves the Company in a stronger financial position to make additional investments and weather any future headwinds should they arise. The Board will continue

to work with the Portfolio Manager to implement its strategy of rebalancing the portfolio.

The announcement by Oxford Nanopore, post period-end, of their intention to float should enable the Company to make further progress on diversifying its portfolio through a partial realisation of its largest holding should the IPO succeed. The prospect of further such liquidity events within the portfolio should continue to provide the Portfolio Manager with the ability to make further new investments in addition to the three new investments already made in 2021.

## Corporate Governance

The Board is pleased to announce that the Annual General Meeting of the Company was held at 1 London Wall Place, London EC2Y 5AU on Friday, 4 June 2021. All resolutions as set out in the Notice of Meeting were duly passed with overwhelming shareholder support.

## Web Conference – Update from Schroders

Please join the portfolio managers for a webinar in which they will report on the half year ended 30 June 2021 and outline their thoughts on the future direction of the portfolio. The presentation will be followed by a live Q&A session. The webinar will take place on 1 October 2021 at 3.00pm. Register for the event at <https://registration.duuzra.com/form/suppinterims2021>

**Tim Edwards**  
Chairman

21 September 2021

# Portfolio Manager's Review

## Summary

- NAV of 40.65p per share as of 30 June 2021, an increase of 1.6% relative to the NAV as of 31 March 2021 (40.00p per share) and 16.1% as of 31 December 2020 (35.00p per share).
- This performance is driven by several positive developments within the portfolio including Oxford Nanopore's funding round at an uplifted valuation, Immunocore's initial public offering ("IPO") and the sales of Inivata and Kuur Therapeutics.
- Considerable progress achieved in rebalancing the portfolio, including two notable private sales transactions, contributing towards total realisations of £120.6 million during the half year period.<sup>1</sup>
- Financial position has been significantly strengthened with full repayment of the bank loan and net current assets now standing at £27.4 million.
- First two new investments completed since the appointment of Schroders as Portfolio Manager, private cyber-security company, Tessian, and publicly listed applied materials chemistry innovator, Johnson Matthey.
- Since the period end, the Company also completed its second new private equity investment in leading global neobank, Revolut.
- The Company is now very well-placed to capitalise on developments within its portfolio, for example the potential initial public offering of Oxford Nanopore Technologies (ONT), and new opportunities in both the public and private equity markets.

<sup>1</sup>Excludes proceeds from the sale of Inivata which were received after the period end.

## Introduction

### Economic backdrop

Equities rebounded over the first half of 2021 as vaccination programmes were rolled out, social distancing measures relaxed, and economic activity recovered. Many lowly-valued and economically sensitive areas of the market outperformed in anticipation of a very strong global recovery. There was, however, a rotation back towards more defensive areas of the market over Q2 due to a combination of factors, including that expectations growth may have peaked. Central banks remained committed to ultra-loose monetary policy as they judged a pick-up in inflation to be largely transitory in nature.

Five years on from the UK's vote to leave the European Union it appears that investors are endorsing the prospects for UK equities again. The removal of the Brexit overhang, the low interest rate environment, strong economic data and growth forecasts, and a vaccination rollout programme that has been executed without major disruption, have all seemingly combined to fuel more positive investor sentiment around UK equities. Global fund managers are overweight UK equities for the first time since 2014, according to Bank of America Merrill Lynch's June 2021 Global Fund Manager

Survey. However, the valuation discount of UK equities to global peers remains extended in a historical context. This opportunity has been underlined by the recent flurry of M&A interest and activity regarding UK companies. In the first six months of 2021, 13 UK-listed companies were subject to buyout bids from private equity – the highest figure since 1999 and compared to just four in each of the first halves of 2019 and 2020. It also serves to highlight the opportunity for us as active managers, both in the public and private areas of the UK equity market.

### Objectives and progress

Within the Company's portfolio, the first half of 2021 has been a period during which much of the hard work undertaken during 2020 has started to bear fruit. Key developments in the first quarter included:

- Agreement to extend the term of the credit facility for 24 months to 30 January 2023.
- Immunocore completed its initial public offering ("IPO").
- Sale of a basket of holdings to Rosetta Capital.
- Partial repayment of the bank loan.
- Oxford Nanopore announced its intention to IPO on the London Stock Exchange in the second half of 2021.

The positive trend continued in the second quarter with further developments including:

- Sale of Kymab to Sanofi.
- Full repayment of the bank loan.
- The announcement of the acquisition of Inivata by NeoGenomics.
- Oxford Nanopore completed a fundraise resulting in a material revaluation (to represent 26.5% of the portfolio as of 30 June 2021).
- Sale of Kuur Therapeutics to Athenex, Inc.
- First new private equity investment, Tessian Limited ("Tessian").
- First new public equity investment, Johnson Matthey.

After the period end, the Company also completed its second new private equity investment in UK-founded, leading global neobank, Revolut Limited ("Revolut").

Overall, these events represent a considerable leap forward in the repositioning of the portfolio. The Company has significantly bolstered its financial position, fully repaid the outstanding debt which stood at £107 million as of 31 December 2020 and has made its first new investments since Schroder Investment Management Limited's appointment as Portfolio Manager.

### Portfolio composition and valuation reviews

As of 31 December 2020, the Company had 38 portfolio holdings<sup>1</sup> including 8 quoted holdings and 30 unquoted holdings. During the period, the number and composition of holdings was impacted by the following events:

- Immunocore completed its initial public offering ("IPO").

# Portfolio Manager's Review

- Sale of four holdings and three partial holdings to Rosetta Capital.
- Lignia Wood entered administration resulting in its fair value being reduced to zero.
- Sale of Kymab (with the remaining contingent payments still held in the portfolio based on a probability weighted expected return of £5.6 million).
- Sale of Inivata.
- Sale of Kuur Therapeutics to publicly listed Athenex, Inc ("Athenex") which remains in the portfolio as a quoted holding.
- Sale of the residual holding in Netscientific.
- Small upwards revaluation of Drayson Technologies from no value.
- New investment in Tessian.
- New investment in Johnson Matthey.
- Unquoted holdings: +19.1%
- Foreign exchange: -0.7%
- Costs and other movements: -1.0%

## Portfolio

The Company's quoted holdings saw a decline in value of 6.2% contributing -1.3% to the six month NAV return to 30 June 2021. The largest negative contributors were IDEX Biometrics ASA ("Idex") and Autolus Therapeutics ("Autolus") which declined 29% and 25% respectively. Autolus was weakest in the first quarter declining 35% but recovered moderately in the second quarter increasing 16%. The other quoted holdings did not materially impact the portfolio.

The Company's unquoted holdings saw an increase in value of 17.1% contributing 19.1% to the six month NAV return to 30 June 2021. As reported in the first quarter NAV announcement, the largest positive contributor was Oxford Nanopore Technologies ("ONT") which had its fair value uplifted by £22.0 million or 32.1% to reflect the pricing of the external funding round completed in May 2021. As of 30 June 2021, Oxford Nanopore is now the largest holding within the portfolio representing 26.5% of total investments. After accounting for its partial sale to Rosetta Capital, the second largest positive contributor was Inivata. The fair value of the holding was increased by £15.1 million prior to its acquisition by NeoGenomics, Inc. ("NeoGenomics").

It should be noted that the quoted performance excludes Immunocore which, despite completing an IPO, started the period as an unquoted company. Within the unquoted holdings, Immunocore was the third largest contributor with its share price increasing 49% between listing on Nasdaq in February 2021 and 30 June 2021.

The fourth largest positive contributor was Kuur Therapeutics ("Kuur"). The holding's fair value increased £6.2 million reflecting both its sale to publicly listed Athenex and the performance of Athenex common stock post-closing.

Elsewhere across the portfolio, there were several other small but positive contributors including OcuTerra Therapeutics (previously Scifluor Life Sciences) which completed a Series B funding round, Atom Bank which was marginally revalued due to an improvement in trading comparables and HP Environmental Technologies Fund ("HPET") which reported the sale of two portfolio companies. As of 30 June 2021, HPET is valued at £8.4 million, representing a fair value increase of £4.4 million relative to the £4.0 million holding value implied by the acquisition price of Ombu Group in December 2020.

There were no unquoted holdings that detracted from performance by more than £2.0 million.

As of 30 June 2021, the Company ended the period with 34 holdings<sup>1</sup> including 9 quoted holdings and 25 unquoted holdings. All the Company's quoted holdings were valued using unadjusted quoted prices except Rutherford Health which continues to be fair value priced by Link Fund Solutions Limited ("LFS"), the Company's Alternative Investment Fund Manager (AIFM). For the unquoted holdings, the AIFM conducted a full valuation review to determine the fair value of the portfolio as of 30 June 2021.

<sup>1</sup>Excluding 7 holdings with no value.

## Financial Performance

Attribution Analysis (£m)	Quoted	Unquoted	Net (debt)/cash	Other	NAV
<b>Value at 31.12.20</b>	<b>66.6</b>	<b>354.6</b>	<b>(100.7)</b>	<b>(2.4)</b>	<b>318.1</b>
+ Investments	3.5	11.3	(14.8)	-	-
- Realisations	(8.5)	(140.0)	120.6	27.9	-
+/- Fair value gains/ (losses)	(4.1)	60.7	-	-	56.6
+/- FX gains/ (losses)	(0.4)	(1.7)	-	(0.1)	(2.2)
+/- Reclassified holdings	30.7	(30.7)	-	-	-
+/- Costs and other movements	-	-	(3.8)	0.7	(3.1)
<b>Value at 30.06.21</b>	<b>87.8</b>	<b>254.2</b>	<b>1.3</b>	<b>26.1</b>	<b>369.4</b>

Source: AIFM, Link Fund Solutions Limited, as of 30 June 2021.

The NAV as of 30 June 2021 was £369.4 million or 40.65p per share reflecting an increase of 16.1% compared with the NAV as of 31 December 2020.

The half year NAV return of 16.1% comprised:

- Quoted holdings: -1.3%

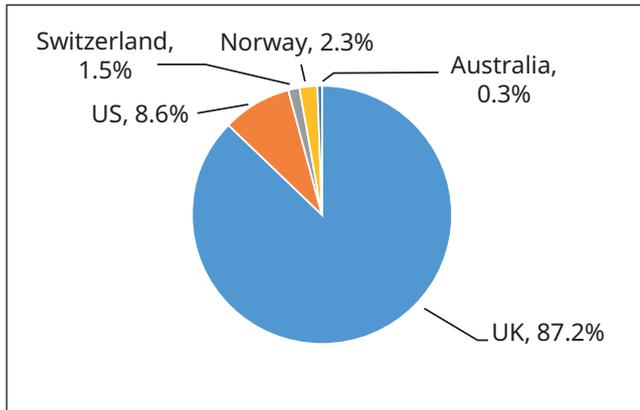
## Foreign Exchange

The fair value of investments denominated in all other global currencies were negatively impacted by the appreciation of GBP.

# Portfolio Manager's Review

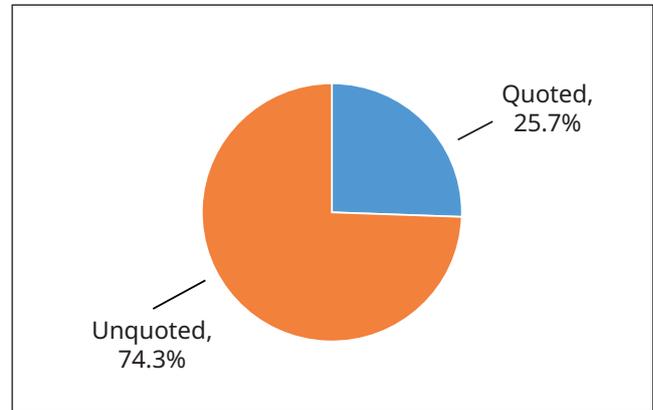
The following charts provide an overview of the Company's total investments as of 30 June 2021.

**Portfolio by geography (as % of total investments)**



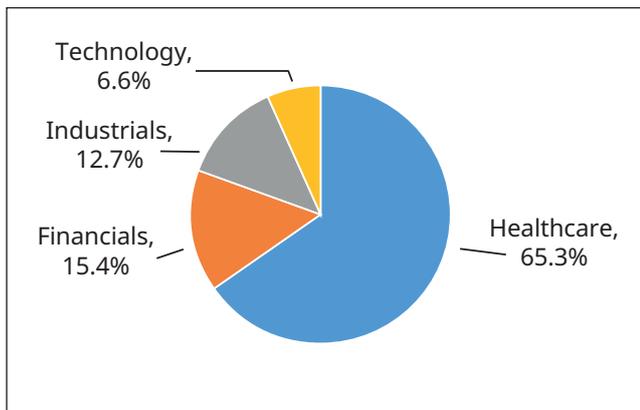
Source: LFS

**Portfolio by quoted and unquoted companies (as % of total investments)**



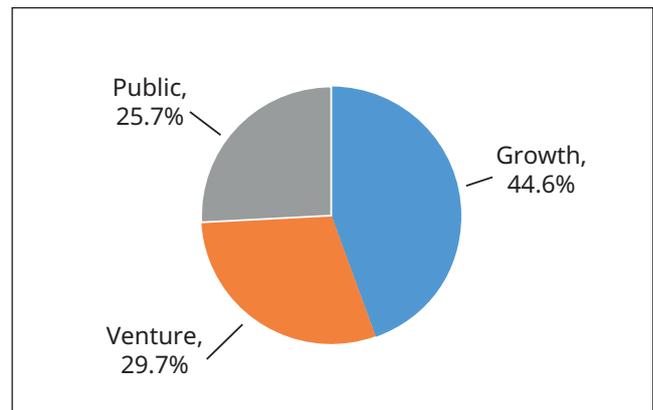
Source: LFS

**Portfolio by sector (as % of total investments)**



Source: LFS

**Portfolio by stage (as % of total investments)**



Source: LFS

# Portfolio Manager's Review

## Cash, debt, and net current assets

The Company fully repaid its outstanding bank loan which stood at £107.0 million as of 31 December 2020, improving its net current assets/(liabilities) by £130.5 million from – £103.1 million as of 31 December 2020 to £27.4m as of 30 June 2021. The net current assets include £1.3m of cash and £26.1m of net debtors principally related to proceeds from the sale of Inivata received after the period end.

## Investment Activity

### Realisations

The first half of 2021 has been a period of significant activity building on the progress achieved through 2020. Amongst the various rebalancing activities ongoing, the Company completed two notable private sale transactions and exited one small residual public holding generating total realisations of £120.6 million including:

1. In March 2021, the sale of a basket of assets<sup>1</sup> to Rosetta Capital generating initial proceeds of £52.9 million<sup>2</sup>.
2. In April 2021, the sale of Kymab to Sanofi generating initial proceeds of \$87 million (£63.6 million) with the potential for additional contingent payments of up to \$33 million subject to a deferred purchase price release and Kymab achieving certain development and regulatory milestones.

The total realisations for the period exclude the sale of Inivata to NeoGenomics, which despite being announced in June 2021, the proceeds of \$38.6 million (£28.0 million) were not received until after the period end.

In addition, in May 2021, the Company sold its holding in Kuur Therapeutics to publicly listed Athenex in return for Athenex common stock valued at \$9.6 million (£7.0 million) as of 30 June 2021.

### Investments

In January 2021, the Company made certain follow-on investments of £2.9 million in companies contained within the basket of assets sold to Rosetta Capital which was immediately reimbursed upon the successful sale.

Later in the first quarter, the Company completed two small follow-on investments in unquoted holdings with a combined value of just under £0.6 million. The first investment was in Mafic as part of an internal funding round structured to resolve legacy governance issues and marginally extend the cash runway. The second investment was in CeQur, the Company exercised pre-emption rights to acquire additional shares at a discount to the valuation implied by its \$115m funding round.

In the second quarter, bolstered by the proceeds from the successful sales, the Company completed its first two new investments since the appointment of Schroder Investment Management Ltd as Portfolio Manager, and a third investment which completed after the period end.

### Tessian

In May 2021, the Company made a \$6.75m investment into leading UK-founded private cybersecurity company, Tessian, as part of its \$65m Series C funding round. The round was led by March Capital, a U.S.-based venture growth firm, with participation from existing shareholders including Sequoia Capital, Accel, Balderton Capital and Latitude.

Tessian is pioneering a new approach to cybersecurity and is defining a new category of security software called Human Layer Security. To overcome the so-called "people problem" in security, Tessian uses machine learning to stop security threats and data breaches caused by people, without disrupting their workflow. It builds Behavioral Intelligence Models, tailored to every employee, by understanding each individual's communication patterns and behaviours online. Tessian uses the models to automatically detect security threats and prevent them from turning into breaches by notifying the employee in-the-moment. Over time, these alerts help employees improve their security behaviours. Today, Tessian secures people on email and automatically prevents threats such as phishing, business email compromise, data exfiltration and accidental data loss.

In the last year, Tessian has tripled its Fortune 500-level customer base and now has 350 customers around the world across the legal, financial services, healthcare and technology sectors including Affirm, Investec and Schroders. With the new funding, Tessian will continue to expand its platform's capabilities and plans to secure other interfaces like messaging, web and collaboration platforms. Tessian will also use the funding to triple its rapidly growing employee base, with a particular focus on growing its sales team.

### Johnson Matthey

In June 2021, the Company made a £3.5m investment into publicly listed Johnson Matthey, and post-period end has increased this to bring the total investment to £7.5m. Johnson Matthey is a global leader in the applied materials chemistry, producing materials that are used in a wide range of industrial processes from automotive exhaust catalysts to the production of industrial gases.

Johnson Matthey is set to be an important facilitator of the process of decarbonisation over the coming decade, with its materials being critical to the production of hydrogen, and the emerging use of hydrogen as a clean energy fuel. It is also developing high energy density cathode materials for use in Electric Vehicle batteries. Existing emission control catalysts used in transport are likely to continue to be in demand as regulations and standards tighten across the world and revenues from this activity will provide a valuable source of funding for the development of new technologies.

The investment fits with the Company's philosophy of supporting innovative, world leading technologies, that showcase the best of British entrepreneurial spirit and will help positively impact society and the planet.

### Revolut

Post period-end, in August 2021, the Company completed a further private investment of \$13.7m in the leading disruptive global neobank, Revolut Limited ("Revolut") alongside its \$800m Series E funding round led by new

# Portfolio Manager's Review

investors, SoftBank Vision Fund 2 and Tiger Global Management, valuing the business at \$33 billion.

Revolut, the ambitious neobank with more than 16 million customers worldwide, plans to use the significant primary investment to further its growth plans, in particular its ongoing product innovation aimed at meeting customers' everyday financial needs and aspirations, from quick and easy global transfers, to managing everything from savings to insurance, to democratising wealth and trading activities. It will also support the expansion of Revolut's offering to US customers and its entry to India and other international markets.

<sup>1</sup>The entire holdings in Carrick Therapeutics, Mission Therapeutics, PsiOxus Therapeutics and Mereo BioPharma and partial holdings in Inivata, Immunocore and ReNeuron.

<sup>2</sup>After accounting the value of £2.9m follow-on investments made by the Company with respect to holdings contained in the Sale Portfolio during January 2021.

## Company Updates

### Oxford Nanopore: Started preparing for an IPO and completed a funding round

In March 2021, Oxford Nanopore Technologies ("ONT") notified shareholders that it had started the process of preparing for a potential IPO. Whilst the timing of a potential IPO is dependent on market conditions and other matters not fully within its control, Oxford Nanopore expects the IPO to occur in the second half of 2021 on the London Stock Exchange.

In May 2021, ONT also announced that it had raised £195 million in new capital including £125 million from new investors Temasek, Wellington Management, M&G Investments and Nikon.

### Atom Bank: Completed a funding round

In April 2021, Atom Bank ("Atom") announced that it had raised a further £40 million from existing shareholders and guided towards profitability from its mortgage and business lending within a year, and to IPO the year after. Atom disclosed that it is on course to achieve 100bps of Net Interest Margin by the end March 2021 with lending to SMEs on its balance sheet having grown to over £700 million, a tripling of business loans in the last 12 months. This growth has been achieved both within the Coronavirus Business Interruption Loan Scheme and independent of government schemes.

The latest funding round took place at a price of 60p per share, which is significantly below the 2019 funding round price. This funding round price impacted the holding fair value as of 31 December 2020 which has marginally uplifted as of 30 June 2021.

In May 2021, Atom Bank announced a lending partnership with Funding Circle, the UK's largest small business loan platform, to provide £300m of new funding to small businesses. Atom will harness Funding Circle's technology and distribution platform to deploy new funding to approximately 4,000 UK small businesses, continuing Atom's support for UK SMEs.

### Rutherford Health: Agreed a secured infrastructure investment, announced a Placing and agreed an acquisition

In February 2021, Rutherford Health ("Rutherford") provided an update on its funding situation which highlighted the approaching need for financing during the first quarter of 2021. As such, in March 2021, Rutherford announced that it had agreed an infrastructure investment of £40 million with Equitix Investment Management Ltd. The proceeds from the investment are being used to repay the company's current debt of £18.6 million, for further investment in its infrastructure and for mid-term working capital purposes. The investment is backed by the freehold transfer of the Rutherford Cancer Centre South Wales and supported by other security to be put in place over the company's other centres. The agreement is for 25 years, and the company will have the option to repurchase the freehold of the South Wales centre for an agreed nominal sum at expiry.

In August 2021, Rutherford announced a Placing of 19 million new Ordinary shares with SDI Holding Limited at a price of 65p per share raising gross proceeds of £12.35 million. In addition, Rutherford also announced its intention to acquire Proton Partners International Health Care Investments LLC, a UAE company, in consideration for the issue of 64 million new Ordinary shares, conditional on the achievement of certain events including full mutual due diligence. Upon completion of these two transactions, SUPP's shareholding would be diluted to ~18% of the equity.

### Immunocore: Completed its IPO on Nasdaq

In January 2021, Immunocore announced the completion of its \$75 million Series C financing round. A precursor to its ultimate IPO on Nasdaq in February 2021 raising gross proceeds of \$312 million.

In March and May 2021, Immunocore provided business updates highlighting the continued progression of the ImmTAC (Immune mobilizing monoclonal T-cell receptors Against Cancer) clinical portfolio for multiple tumour types and the grant of Breakthrough Therapy Designation by the FDA for Tebentafusp in unresectable or metastatic uveal melanoma, with the company anticipating completion of the submission of a Biologics License Application in the third quarter of 2021.

### BenevolentAI: Completed first dosing for its trial in Atopic Dermatitis

In February 2021, BenevolentAI announced dosing of the first patient in its randomised first-in-human clinical trial for BEN-2293, a molecule designed and developed to treat Atopic Dermatitis. A development which sees a novel multi-target drug developed using BenevolentAI's scientific and technical expertise entering human clinical trials. BEN-2293 is designed for topical administration with low systemic exposure to deliver the optimal safety and efficacy profile in the treatment of itch and inflammation associated with Atopic Dermatitis. In this initial trial, BEN-2293 will be studied in adult patients with mild to moderate disease.

In April 2021, BenevolentAI reported that AstraZeneca had selected a novel chronic kidney disease ("CKD") target to advance to its drug development portfolio, a major

# Portfolio Manager's Review

milestone since formation of the strategic collaboration in 2019 to discover new drugs for CKD and idiopathic pulmonary fibrosis. The collaboration combines AstraZeneca's scientific expertise and rich datasets with BenevolentAI's target identification platform and biomedical knowledge graph to understand these two complex diseases' underlying mechanisms and identify new and more efficacious drug targets.

## Reaction Engines: Completed further validation of SABRE technology

In February 2021, Reaction Engines announced that it had completed the testing of two vital sub-systems of SABRE; the HX3 heat exchanger and the advanced hydrogen preburner. These sub-systems supply heat energy and air to the air-breathing core of the engine. These experiments yielded high levels of insight and represent the latest in a wider series designed to validate SABRE technology.

In July 2021, Reaction Engines secured a £3.9 million grant from the UK Space Agency to support the development of its technology, enabling low-carbon air-breathing space access propulsion technology to be applied more widely in the space sector and beyond. At the time of announcement, Science Minister Amanda Solloway and Transport Minister Rachel Maclean visited Reaction Engines at its site in Culham, Oxfordshire, to discuss how the funding will help keep the UK ahead of the game in sustainable space exploration. This investment builds on earlier government backing for Reaction Engines' revolutionary SABRE technology, which promises exciting new developments both in space with potential for other technology spin-out areas including sustainable aviation fuels, unlocking atmospheric high-speed flight, and prolonging electric vehicle battery life through innovative thermal management technology.

## IDEX Biometrics: Completed a placing

In February 2021, IDEX Biometrics ASA ("IDEX") completed a placing of NOK 229m which is expected to fund the business through to breakeven in H2 2022. Across the first half of the year, IDEX continued to reach milestones on the path to full commercialisation of its biometric sensors integrated into payment cards, as a major card manufacturer began to market a card featuring IDEX's TrustedBio sensors to card issuers. Once final certification for this card is completed in the second half of 2021, it will be ready for issuers to begin rolling it out to customers. IDEX also expanded its collaborations with key partners involved in the People's Bank of China's digital currency initiative, which promises to be an attractive route to market for IDEX.

## Autolus Therapeutics: Announced promising results in its AUTO1 trial

In June 2021, Autolus Therapeutics announced promising interim results of Obe-cel (AUTO1) in a cohort of patients from a trial of one of its principal programmes with 100% remission rates and a manageable safety profile to date. This programme is moving forward to a pivotal study, the results of which are expected in 2022. Additionally, in H1 2022, interim Phase 1 data is expected from AUTO4 and several other preclinical programmes are expected to begin Phase 1 studies.

## Genomics: Completed a \$30m funding round

In March 2021, Genomics plc ("Genomics") announced that it had successfully completed a \$30m funding round with participation from new investors including Foresite Capital and F-Prime Capital, plus existing shareholders Oxford Sciences Innovation and Lansdowne Partners. Genomics intends to use the funding to expand its work, building a patient-centric, population health platform that unlocks a more proactive, precise, and personalised form of healthcare.

Genomics is a leader in the new area of genomic prevention: a paradigm-changing approach to sustainable healthcare. For the first time, it allows reliable and personalised estimates of risk for common diseases, well ahead of disease manifestation. This allows targeted interventions and tailored screening to either prevent disease entirely, or to catch it early when outcomes remain favourable. Genomics' population health management services and clinical decision support tools are designed to bring greater, earlier, and more accurate understanding about an individual's risk for all the common chronic diseases and cancers to doctors and their patients. The company also uses insights from genomic variation to accelerate the discovery and development of new medicines.

## HP Environmental Technologies Fund: Completed two portfolio company sales

In June 2021, Mueller Water Products, Inc. announced that it had acquired i2O Water, Ltd. ("i2O Water"), a provider of pressure management solutions for approximately \$20 million in cash. Founded in 2005, and headquartered in Southampton, UK, with operations in Malaysia and Colombia, i2O Water delivers intelligent water networks to more than 100 water companies in over 45 countries around the world and first received investment from Ombu Group in 2014.

In July 2021, bp announced that it had acquired UK-based digital energy business Open Energi. Open Energi will join the bp Launchpad portfolio, seeking opportunities to further scale the business globally, and building on its strong commercial growth over recent years. bp will also explore how Open Energi, which is currently focused on the UK market, can work internationally across its trading & shipping business and low-carbon portfolio, both of which play an important role for its net zero ambition. The financial details of the transaction have not been disclosed publicly.

## CeQur: Completed a \$115m funding round

In April 2021, CeQur announced the close of a \$115 million equity financing to advance commercial plans for CeQur Simplicity™, including market development activities, a phased commercial launch strategy that includes a limited market release in 2021, and the scale-up of high-volume manufacturing. Credit Suisse Entrepreneur Capital Ltd. and Endeavour Vision led the financing with participation from new investors, including Tandem Diabetes Care, Inc. (NASDAQ: TNDM), Ypsomed Group (SWX: YPSN), Federated Hermes Kaufmann Funds, Kingdon Capital, and GMS Capital, as well as existing investors.

CeQur Simplicity is a simple, three-day, wearable insulin device for discreet, convenient, and injection-free bolus

# Portfolio Manager's Review

dosing. One Simplicity patch holds up to 200 units of rapid-acting insulin administered in two-unit increments and replaces, on average, nine mealtime injections over three days. Clinical research has shown that nearly 90% of patients using CeQur Simplicity reported following their insulin regimen better as compared to multiple daily injections. The device is clinically proven to improve glycaemic control, with patients achieving significantly improved HbA1C and time-in-range goals. CeQur Simplicity is both FDA cleared and CE-marked.

## **Tessian: Completed a Series C extension**

Following its Series C fundraise in May 2021, Tessian announced that it had received strategic investment from Okta Ventures, Citi Ventures and Sozo Ventures as part of a Series C extension. With the additional funding, Tessian will be accelerating its growth plans.

Source: Portfolio companies including information disclosed publicly on their websites.

## **Outlook**

The first half of this financial year has been transformative for the Company's prospects. The Company sits in a strong financial position with net current assets standing at £27.4 million before accounting for the additional liquidity available through the revolving credit facility. As Portfolio Manager, we now have more firepower to capitalise on the opportunities ahead, both within the existing portfolio but also in accelerating the portfolio rebalancing and sourcing new high-quality investments. As communicated at the time of the 2020 Annual Report and Accounts, it was our intention to invest in two new private companies and two new public companies during 2021. However, following the sale of Inivata and our increasing confidence in the outlook of the existing portfolio these plans have since accelerated. As such, at the time of this report, we have already announced two new private equity investments, Tessian and Revolut, and one new public equity investment, Johnson Matthey. We could not be more excited about the value creation potential that these new holdings bring to the portfolio and look forward to reporting on their progress in coming quarters.

Although we have come a long way, there is still a significant amount of work to do as part of the plan communicated at the time of our appointment. Our focus will be on continuing to actively support the portfolio companies, investigating further portfolio rebalancing opportunities, working to reduce the discount to NAV and sourcing new high-quality investments. With capital available to deploy, further positive developments anticipated through 2021, including the potential IPO of ONT, the Company's largest holding, we are optimistic about the portfolio's prospects.

## **Schroder Investment Management Limited**

21 September 2021

*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 2021

The 20 largest investments account for 94.6% of total investments by value (30 June 2020: 90.8% and 31 December 2020: 93.9%).

All companies are located in the UK unless otherwise stated. All investments are equities.

Holding	Quoted/unquoted	Industry Sector	Fair value £'000	Total investments %
Oxford Nanopore	Unquoted	Health Care	90,745	26.5
Atom Bank	Unquoted	Financials	40,004	11.7
Rutherford Health	Quoted	Health Care	33,889	9.9
Immunocore	Quoted	Health Care	23,410	6.8
Benevolent AI	Unquoted	Health Care	22,390	6.5
Reaction Engines	Unquoted	Industrials	12,500	3.7
AMO Pharma	Unquoted	Health Care	11,291	3.3
Seedrs	Unquoted	Financials	9,075	2.7
Genomics	Unquoted	Health Care	8,578	2.5
Federated Wireless	Unquoted	Technology	8,449	2.5
HP Environmental Technologies Fund	Unquoted	Industrials	8,350	2.4
Autolus Therapeutics	Quoted	Health Care	8,040	2.4
IDEX Biometrics ASA	Quoted	Technology	8,008	2.3
Athenex	Quoted	Health Care	6,960	2.0
Mafic	Unquoted	Industrials	6,317	1.8
Nexeon	Unquoted	Industrials	6,160	1.8
Kymab	Unquoted	Health Care	5,628	1.6
Cequor	Unquoted	Health Care	5,134	1.5
Tessian	Unquoted	Technology	4,886	1.4
OcuTerra	Unquoted	Health Care	4,582	1.3
Industrial Heat	Unquoted	Industrials	3,953	1.2
Johnson Matthey	Quoted	Chemicals	3,564	1.0
American Financial Exchange	Unquoted	Financials	2,706	0.8
ReNeuron Group	Quoted	Health Care	2,161	0.6
Plenti Group	Quoted	Financials	1,036	0.3
Econic	Unquoted	Industrials	1,033	0.3
Xeros Technology	Quoted	Industrials	774	0.3
Novabiotics	Unquoted	Health Care	745	0.3
Bodle Technologies	Unquoted	Technology	681	0.2
Origin	Unquoted	Health Care	439	0.2
Metaboards	Unquoted	Technology	259	0.2
Spin Memory	Unquoted	Technology	107	-
RM2 International	Unquoted	Industrials	62	-
Drayson	Unquoted	Technology	37	-
Lignia Wood	Unquoted	Industrials	-	-

# Investment Portfolio as at 30 June 2021

Holding	Quoted/unquoted	Industry Sector	Fair value £'000	Total investments %
Mereo BioPharma Group	Quoted	Health Care	-	-
Sphere Medical	Unquoted	Health Care	-	-
Halosource	Unquoted	Industrials	-	-
Kind Consumer	Unquoted	Consumer Staples	-	-
Metalysis	Unquoted	Industrials	-	-
Oxsybio	Unquoted	Health Care	-	-
<b>Total investments<sup>1</sup></b>			<b>341,953</b>	<b>100.0</b>

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

	£'000	%
Unquoted	254,111	74.3
Listed on a recognised stock exchange overseas	47,454	13.9
Quoted on Acquis Stock Exchange	33,889	9.9
Listed on the London Stock Exchange	6,499	1.9
<b>Total</b>	<b>341,953</b>	<b>100.0</b>

# Half Year Report

## Principal Risks and Uncertainties

The Board has determined that the key risks for the Company are general economic and market risk, portfolio concentration risk, performance risk, general and specific portfolio valuation risk, investee company specific risk, gearing risk, portfolio manager and key man risk, outsourced service provider risk, currency risk and cyber risk. Additionally, the Board identified COVID-19 related risks and those existing risks that were likely exacerbated by the pandemic. These risks are set out on pages 26 to 30 of the Annual Report and Accounts for the year ended 31 December 2020.

Except with respect to the degree of uncertainty relating to gearing risk, which has reduced considerably given the Company's net cash position, the Company's principal risk and uncertainties, and their mitigation, have not materially changed during the six months ended 30 June 2021 or since the Annual Report was published on 24 April 2021.

## Going concern

The Board has considered the Company's principal risks and uncertainties (including whether there are any emerging risks); has scrutinised the detailed cash flow forecast prepared by the Portfolio Manager; and considered their assessment of the likelihood and quantum of funds which could be raised from sales of investments. As a result, the Board is comfortable that the Company will have sufficient liquid funds to pay operating expenses.

The Board has also considered the provisions in the revolving credit facility, and have taken into account that the loan was undrawn as at the date of these financial statements. On this basis, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the Company's 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 2021.

## 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 April 2021 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 2021 (unaudited)

	(Unaudited) For the six months ended 30 June 2021			(Unaudited) For the six months ended 30 June 2020			(Audited) For the year ended 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	54,554	54,554	-	(34,134)	(34,134)	-	(126,095)	(126,095)
(Losses)/gains on foreign exchange	-	(120)	(120)	-	18	18	-	(193)	(193)
Income from investments	57	-	57	-	-	-	-	-	-
<b>Gross return/(loss)</b>	<b>57</b>	<b>54,434</b>	<b>54,491</b>	-	(34,116)	(34,116)	-	(126,288)	(126,288)
Portfolio management fee	(1,537)	-	(1,537)	(669)	-	(669)	(1,923)	-	(1,923)
Administrative expenses	(784)	-	(784)	(703)	-	(703)	(1,240)	-	(1,240)
<b>Net (loss)/return before finance costs and taxation</b>	<b>(2,264)</b>	<b>54,434</b>	<b>52,170</b>	(1,372)	(34,116)	(35,488)	(3,163)	(126,288)	(129,451)
Finance costs	(863)	-	(863)	(1,076)	-	(1,076)	(1,909)	-	(1,909)
<b>Net (loss)/return before taxation</b>	<b>(3,127)</b>	<b>54,434</b>	<b>51,307</b>	(2,448)	(34,116)	(36,564)	(5,072)	(126,288)	(131,360)
Taxation	-	-	-	-	-	-	-	-	-
<b>Net (loss)/return after taxation</b>	<b>(3,127)</b>	<b>54,434</b>	<b>51,307</b>	(2,448)	(34,116)	(36,564)	(5,072)	(126,288)	(131,360)
<b>(Loss)/return per share (note 3)</b>	<b>(0.34)p</b>	<b>5.99p</b>	<b>5.65p</b>	(0.27)p	(3.75)p	(4.02)p	(0.56)p	(13.90)p	(14.46)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)/return after taxation is also the total comprehensive (loss)/return 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 2021 (unaudited)

## For the six months ended 30 June 2021 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2020	9,086	891,017	(563,222)	(18,812)	318,069
Net return/(loss) after taxation	-	-	54,434	(3,127)	51,307
<b>At 30 June 2021</b>	<b>9,086</b>	<b>891,017</b>	<b>(508,788)</b>	<b>(21,939)</b>	<b>369,376</b>

## 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 after taxation	-	-	(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 year ended 31 December 2020 (audited)

	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 after taxation	-	-	(126,288)	(5,072)	(131,360)
<b>At 31 December 2020</b>	<b>9,086</b>	<b>891,017</b>	<b>(563,222)</b>	<b>(18,812)</b>	<b>318,069</b>

# Statement of Financial Position at 30 June 2021 (unaudited)

	(Unaudited) 30 June 2021 £'000	(Unaudited) 30 June 2020 £'000	(Audited) 31 December 2020 £'000
<b>Fixed Assets</b>			
Investments held at fair value through profit or loss (note 4)	<b>341,953</b>	516,997	421,152
<b>Current Assets</b>			
Debtors	<b>28,002</b>	606	26
Cash at bank and in hand	<b>1,291</b>	3,577	6,379
	<b>29,293</b>	4,183	6,405
<b>Current liabilities</b>			
Creditors: amounts falling due within one year (note 5)	<b>(1,870)</b>	(108,315)	(109,488)
<b>Net current assets/(liabilities)</b>	<b>27,423</b>	(104,132)	(103,083)
Total assets less current liabilities	<b>369,376</b>	412,865	318,069
<b>Net assets</b>	<b>369,376</b>	412,865	318,069
<b>Capital and reserves</b>			
Called-up share capital (note 6)	<b>9,086</b>	9,086	9,086
Share premium	<b>891,017</b>	891,017	891,017
Capital reserves	<b>(508,788)</b>	(471,050)	(563,222)
Revenue reserve	<b>(21,939)</b>	(16,188)	(18,812)
<b>Total equity shareholders' funds</b>	<b>369,376</b>	412,865	318,069
<b>Net asset value per share (note 7)</b>	<b>40.65p</b>	45.44p	35.00p

# Cash Flow Statement

## for the six months ended 30 June 2021 (unaudited)

	(Unaudited) For the six months ended 30 June 2021 £'000	(Unaudited) For the six months ended 30 June 2020 £'000	(Audited) For the year ended 31 December 2020 £'000
<b>Cash flows from operating activities</b>			
Return/(loss) before finance costs and taxation	52,170	(35,488)	(129,451)
Adjustments for:			
(Gains)/losses on investments held at fair value through profit or loss	(54,554)	34,134	126,095
Net movement in foreign exchange	120	(18)	-
(Increase)/decrease in debtors	(33)	(20)	4
(Decrease)/increase in creditors	(614)	263	1,430
<b>Net cash flow from operating activities</b>	<b>(2,911)</b>	<b>(1,129)</b>	<b>(1,922)</b>
<b>Cash flows from investment activities</b>			
Purchases of investments	(14,774)	(2,012)	(6,859)
Proceeds from sales of investments	120,584	11,440	20,727
<b>Net cash flow from investment activities</b>	<b>105,810</b>	<b>9,428</b>	<b>13,868</b>
<b>Cash flows from financing activities</b>			
Finance costs	(835)	(1,106)	(1,933)
Repayment of loan	(107,032)	(5,868)	(5,868)
<b>Net cash flow from financing activities</b>	<b>(107,867)</b>	<b>(6,974)</b>	<b>(7,801)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,968)</b>	<b>1,325</b>	<b>4,145</b>
Effect of foreign exchange	(120)	18	-
<b>Change in cash and cash equivalents</b>	<b>(5,088)</b>	<b>1,343</b>	<b>4,145</b>
Cash and cash equivalents at the beginning of the period	6,379	2,234	2,234
<b>Cash and cash equivalents at the end of the period</b>	<b>1,291</b>	<b>3,577</b>	<b>6,379</b>

# 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 2020 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 April 2021.

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 2020. 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 2020, presented on pages 62 and 63 of the annual report.

## 3. Net (loss)/return per share

	(Unaudited) For the six months ended 30 June 2021 £'000	(Unaudited) For the six months ended 30 June 2020 £'000	(Audited) For the year ended 31 December 2020 £'000
Revenue loss	(3,127)	(2,448)	(5,072)
Capital return/(loss)	54,434	(34,116)	(126,288)
Total return/(loss)	51,307	(36,564)	(131,360)
Weighted average number of shares in issue during the period	908,639,238	908,639,238	908,639,238
Revenue loss per share	(0.34)p	(0.27)p	(0.56)p
Capital return/(loss) per share	5.99p	(3.75)p	(13.90)p
Total basic and diluted return/(loss) per share	5.65p	(4.02)p	(14.46)p

The basic and diluted loss per share is the same because there are no dilutive instruments in issue.

# 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 2021 £'000	(Unaudited) For the six months ended 30 June 2020 £'000	(Audited) For the year ended 31 December 2020 £'000
Opening book cost	759,715	820,226	820,226
Opening investment holding losses	(338,563)	(259,111)	(259,111)
Opening fair value	421,152	561,115	561,115
Purchases at cost	42,255	2,012	11,855
Sales proceeds	(176,008)	(11,996)	(25,723)
Gains/(losses) on investments held at fair value through profit or loss	54,554	(34,134)	(126,095)
Closing fair value	341,953	516,997	421,152
Closing book cost	615,744	809,139	759,715
Closing investment holding losses	(273,791)	(292,142)	(338,563)
<b>Closing fair value</b>	<b>341,953</b>	<b>516,997</b>	<b>421,152</b>

The Company received £176,008,000 (30 June 2020: £11,996,000; 31 December 2020: £25,723,000) from investments sold in the period. The book cost of the investments when they were purchased was £186,226,000 (30 June 2020: £13,099,000; 31 December 2020: £72,366,000). These investments have been revalued over time and, until they were sold, any unrealised gains/losses were included in the fair value of the investments.

Purchases and sales for the period include non-cash transactions in relation to Athenex and Kuur (30 June 2020: none; 31 December 2020: Ombu and Ratesetter).

### (b) Unquoted investments, including investments quoted in inactive markets

Material revaluations of unquoted investments during the period (unaudited)

Investment	Opening valuation at 31 December 2020 <sup>1</sup> £'000	Valuation adjustment £'000	Closing valuation at 30 June 2021 £'000
Oxford Nanopore	68,707	22,038	90,745

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

# Notes to the Accounts

Material disposals of unquoted investments during the period (unaudited)

	Book cost £'000	Carrying value at 31 December 2020 £'000	Sale Proceeds £'000	Gain/(loss) based on carrying value at 31 December 2020 £'000
Inivata	21,428	26,137	36,924	10,787
Carrick Therapeutics	20,492	11,155	16,643	5,488
Mission Therapeutics	13,553	4,488	8,945	4,457
Kymab	17,888	69,580	63,648 <sup>1</sup>	(5,932)

<sup>1</sup>Excludes potential contingency payment.

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

	(Unaudited) 30 June 2021 £'000	(Unaudited) 30 June 2020 £'000	(Audited) 31 December 2020 £'000
Bank loan	–	107,032	107,032
Other creditors and accruals	1,870	1,283	2,456
	<b>1,870</b>	108,315	109,488

The Company arranged a new, amended loan facility agreement with The Northern Trust Company, effective from 15 January 2021, and fully paid down the amount outstanding out of the proceeds of sales transactions. Under the terms of the new loan facility agreement, following the above repayment, the arrangement changes to a revolving credit facility, and the principal terms of this are as follows:

- The facility limit is reduced to £55 million;
- The termination date is 30 January 2023;
- Interest on any drawings will accrue daily and will be calculated at the aggregate of The Bank of England Base Rate, a 2% margin; and
- Drawings on the facility are secured on all of the Company's assets.

The facility was undrawn at the period end.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

## 6. Called-up share capital

	(Unaudited) For the six months ended 30 June 2021 £'000	(Unaudited) For the six months ended 30 June 2020 £'000	(Audited) For the year ended 31 December 2020 £'000
<b>Ordinary shares allotted, called up and fully paid:</b>			
908,639,238 (30 June 2020 and 31 December 2020: same) ordinary shares of 1p each	9,086	9,086	9,086

# Notes to the Accounts

## 7. Net asset value per share

	(Unaudited) 30 June 2021	(Unaudited) 30 June 2020	(Audited) 31 December 2020
Net assets attributable to shareholders (£'000)	369,376	412,865	318,069
Shares in issue at the period end	908,639,238	908,639,238	908,639,238
Net asset value per share	40.65p	45.44p	35.00p

## 8. 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 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.

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

	30 June 2021 (unaudited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities – quoted	53,953	–	33,889	87,842
– unquoted	–	–	254,111	254,111
Total	53,953	–	288,000	341,953

	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
Total	46,594	–	470,403	516,997

	31 December 2020 (audited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities – quoted	32,697	–	33,889	66,586
– unquoted	–	–	354,566	354,566
Total	32,697	–	388,455	421,152

Immunocore £23,410 (30 June 2020: £26,980; 31 December 2020: £25,570) transferred from Level 3 to Level 1 during the period ended 30 June 2021 following its IPO on the NASDAQ on 5 February 2021. There were no transfers between Levels 1, 2 or 3 during the period ended 30 June 2020 or the year ended 31 December 2020.

# Notes to the Accounts

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

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

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

## Directors

Tim Edwards (Chair)  
Raymond Abbott  
Scott Brown  
Stephen Cohen  
Jane Tufnell (Senior Independent Director)

## Registered Office

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU

## Portfolio Manager & Company Secretary

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU

## Alternative Investment Fund Manager

Link Fund Solutions Limited  
6th Floor  
65 Gresham Street  
London EC2V 7NQ

## Broker

Winterflood Securities Limited  
The Atrium Building  
Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2GA

## Tax adviser

Duff & Phelps  
The Shard, Level 14  
32 London Bridge Street  
London SE1 9SG

## Administrator

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

## Depositary

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 Group  
10th Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

## 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.



**Schroders**