



2018

Majedie Investments PLC
Half-Yearly Financial Report

31 March 2018

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Financial Highlights

	Half Year ended 31 March 2018
Total shareholder return (including dividends):	+2.3%
Net asset value (NAV) total return (debt at par including dividends):	-4.1%
NAV total return (debt at fair value including dividends):	-2.8%
NAV per share (Debt at par value):	321.6p
NAV per share (Debt at fair value):	312.7p
Revenue Return per share:	7.6p
Interim Dividend:	4.0p
Directors' valuation of investment in Majedie Asset Management Limited:	£59.8m
Total assets*:	£192.4m

* Total assets are defined as total assets less current liabilities.

Investment Objective and Policy Statement

Investment Objective

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term.

General

The Company invests principally in securities of publicly quoted companies worldwide and in funds managed by its investment manager, though it may invest in unquoted securities up to levels set periodically by the Board, including its investment in Majedie Asset Management Limited (MAM). Investments in unquoted securities, other than those managed by its investment manager or made prior to the date of adoption of this investment policy, (measured by reference to the Company's cost of investment) will not exceed 10% of the Company's gross assets.

Risk Diversification

Whilst the Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk, there will be no rigid industry, sector, region or country restrictions. The overall approach is based on an analysis of global economies sector trends with a focus on companies and sectors judged likely to deliver strong growth over the long term. The number of investments held, together with the geographic and sector diversity of the portfolio, enable the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

The Company will not invest in any holding that would, at the time of investment, represent more than 15% of the value of its gross assets save that the Company may invest up to 25% of its gross assets in any single fund managed by its investment manager where the Board believes that the investment policy of such funds is consistent with the Company's objective of spreading investment risk.

The Company may utilise derivative instruments including index-linked notes, contracts for difference, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes.

Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described above.

Asset Allocation

The assets of the Company will be allocated principally between investments in publicly quoted companies worldwide and in investments intended to provide an absolute return (in each case either directly or through other funds or collective investment schemes managed by the Company's investment manager) and the Company's investment in MAM itself.

Benchmark

The Company does not have one overall benchmark, rather each distinct group of assets is viewed independently. Any investments made into funds managed by the Company's investment manager will be measured against the benchmark or benchmarks, if any, whose constituent investments appear to the Company to correspond most closely to those investments. It is important to note that in all cases investment decisions and portfolio construction are made on an independent basis. The Board however sets various specific portfolio limits for stocks and sectors in order to restrict risk levels from time to time, which remain subject to the investment restrictions set out in this section.

Gearing

The Company uses gearing currently via long term debentures. The Board has the ability to borrow up to 100% of adjusted capital and reserves. The Board also reviews the level of net gearing (borrowings less cash) on an on-going basis and sets a range at its discretion as appropriate. The Company's current debenture borrowings are limited by covenant to 66⅔%, and any additional indebtedness is not to exceed 20%, of adjusted capital and reserves.

In the six months to 31 March 2018 the NAV at par and NAV at FV (net asset value at par and fair value) fell by 4.1% and 2.8% respectively on a total return basis. The redemption of the 2020 9.5% Debentures, which was completed on 6 December 2017, resulted in a dilution of 1.6% to the NAV at par and 0.6% to the NAV at FV. The share price rose by 2.4% over the period, also on a total return basis. Over the six months the FTSE All-Share Index fell by 2.3% and the MSCI All Country World Index rose by 0.2%, in sterling terms.

The redemption of the 2020 9.5% Debentures, whilst dilutive to the NAV, was undertaken primarily to reduce gearing as stock markets reached all time highs. The Board perceived that both political and economic risks were rising as the interest rate cycle was turning following a long period of monetary expansion and that some lead indicators of economic activity were rolling over. The Company's gearing at 31 March 2018 was 10.1%, having declined from 17.1% at 30 September 2017. The dilution of NAV at par by 1.6% takes into account the interest payments (discounted to reflect the time value of money) that were contractually due to the debenture holders until maturity and this charge of £2.9m was taken against capital. The dilution of NAV at FV by 0.6% reflects the marginal dilution to the FV holding value by £0.8m. The repayment of the debenture was financed by a reduction of the Company's investments in Majedie Asset Management (MAM) Funds. No shares were sold in MAM.

Results and Dividends

The Company had a capital loss for the six months to 31 March 2018 of £11.4m, which includes a charge of £2.9m being the premium paid to the 2020 Debenture holders. The net investment result was a loss of £7.3m. The total income from investments was £4.7m compared to £4.4m in the six months to 31 March 2017. This increase is due to an increase of £0.5m in the dividend received from MAM to £3.5m; the income from the MAM Funds reduced following the sale of assets to finance the early repayment of the 2020 Debentures. Total administration expenses and management fees are marginally lower at £0.9m reflecting lower investment management fees. Finance costs fell by £0.4m due to the redemption of the 2020 Debentures. In the second half of the year total administration expenses and management fees are expected to fall further due to lower investment management fees and finance costs.

The net revenue return after taxation for the six months to 31 March 2018 was £4.1m compared to £3.7m in the six months to 31 March 2017.

The Board has declared an interim dividend of 4.0p per share (2017: 3.5p) which will be paid on 22 June 2018 to shareholders on the register on 8 June 2018.

Asset Allocation

The Company invests through a number of investment strategies managed by MAM and retains an equity holding in MAM of 17.1%. The Company has no overall benchmark; rather each fund has its own benchmark. The Company's total assets were £192.4m at 31 March 2018. In the six months to 31 March 2018 the main change was a reduction in total assets to finance the repurchase of the 2020 Debentures, with a sale of £6.5m from the MAM UK Segregated Portfolio, £6.9m from the MAM Tortoise Fund, £1.9m from the MAM UK Income Fund, £1.8m from the MAM Global Equity Fund, £0.6m from the MAM Global Focus Fund and £0.7m from the MAM US Equity Fund. There were no sales of MAM shares.

MAM Funds and Investment Performance

The MAM UK Equity Fund is the flagship product of MAM, having started in March 2003. Its objective is to produce a total return in excess of the FTSE All-Share Index over the long term. Since inception to 31 March 2018 it has returned 12.1% per annum net of fees, with a relative outperformance of 3.0% against its benchmark. The Company's assets are invested in a segregated portfolio that is managed *pari passu* to the MAM UK Equity Fund. The funds are predominantly invested in UK equities with overseas equities limited to 20% and the strategy incorporates a dedicated allocation to UK smaller companies. At 31 March 2018 the Company had an allocation of £55.3m, which represents 28.7% of total assets. In the six months to 31 March 2018 the Portfolio returned -4.8% net of fees which is an underperformance of 2.5% against its benchmark. The positive contributors were underweight positions in Tobacco, Household Goods and Construction and overweight positions in Software, Food Retailers and Oil Producers. The negative contributors were overweight positions in General Retailers, Support Services, Mining, Utilities and Fixed Line Telecommunications.

Chief Executive's Report

The MAM Tortoise Fund is a global equity absolute return fund which started in August 2007. Its objective is to achieve positive absolute returns in all market conditions over rolling three-year periods with lower volatility than a conventional long-only equity fund. The funds are invested primarily in long and synthetic short positions in equities. Since inception to 31 March 2018 the Fund has returned 7.2% per annum net of fees. At 31 March 2018, the Company had an allocation of £26.8m, which represents 13.9% of total assets. The Fund returned -5.5% net of fees for the six months to 31 March 2018. The positive contributors were long positions in Speciality Retailers, Food Retailers, Pharmaceuticals and Oil Producers and short positions in Banks. The negative contributors were long positions in Energy Services, Fixed and Mobile Telecommunications and Gold Miners and short positions in Distributors.

The MAM UK Income Fund started in December 2011. Its objective is to maintain an attractive yield whilst outperforming the FTSE All-Share Index over the long term, with up to 20% invested in overseas equities. The historic yield is currently 4.5%, well in excess of the yield on the FTSE All-Share Index of 3.7%. Since inception the fund has returned 13.7% per annum net of fees, which is an

outperformance of 4.3% per annum against its benchmark. At 31 March 2018 the Company had an allocation of £15.2m, which represents 7.9% of the Company's total assets. In the six months to 31 March 2018 the Fund returned -0.3% net of fees, which represents an outperformance against its benchmark of 2.0%. The positive contributors were overweight positions in Financial Services, Media and Oil Producers and underweight positions in Tobacco and Support Services whilst the detractors were overweight positions in Utilities and Gold Miners and underweight positions in Pharmaceuticals and Industrial Miners.

The MAM Global Equity and Global Focus Funds were launched in June 2014. Their objectives are to provide total returns in excess of the MSCI All Country World Index over the long term through investment in a diversified portfolio (Global Equity Fund) or concentrated portfolio (Global Focus Fund) of global equities including emerging markets. Since inception to 31 March 2018 the funds have returned 12.3% and 11.4% per annum net of fees for the sterling share class, which represents an outperformance of 0.1% per annum for the MAM Global Equity Fund and an underperformance of 0.9% per annum for the MAM Global Focus Fund against the

benchmark. At 31 March 2018 the Company had allocations of £20.0m and £7.0m respectively to the MAM Global Equity Fund and the MAM Global Focus Fund, representing 10.4% and 3.6% of total assets. In the six months to 31 March 2018 the funds returned -0.5% and -1.7% net of fees, which represents an underperformance of 0.7% and 1.9% respectively. The positive contributors at the sector level were overweight positions in Media, Oil Producers and Healthcare Providers and underweight positions in Pharmaceuticals whilst the detractors were overweight positions in Internet Software, Biotechnology and Wireless Telecommunications and underweights in Aerospace and Defence.

The MAM US Equity Fund was launched in June 2014 and since inception to 31 March 2018 has returned 14.2% per annum net of fees for the sterling share class. This represents an underperformance of 1.5% per annum against its benchmark S&P 500 Index. At 31 March 2018 the Company had an allocation of £7.6m, which represents 3.9% of total assets, and in the six months to 31 March 2018 the Fund returned -0.2% net of fees, which represents an underperformance of 1.1%. The positive contributors at the sector level were overweight positions in Speciality Retail, Media, Food Retail and Healthcare

Providers and underweight positions in Industrials, whilst the detractors were overweight positions in Internet Software and Mining and underweight positions in Internet Retail and Semiconductors.

The aggregate geographic and sector exposures of the MAM UK Equity Segregated Portfolio, MAM UK Income Fund, MAM Global Equity Fund, MAM Global Focus Fund and MAM US Equity Fund are shown on page 11. The factsheets for all the MAM funds in which the Company invests are available on the Company website and show the largest overweight and underweight stock positions and other relevant information.

Majedie Asset Management

The Company retains its holding in MAM. The percentage holding has increased from 16.8% to 17.1% following a small buyback of stock, for cancellation, by MAM in January 2018. The Company has no current intention to sell any shares in MAM other than the obligation, if required, to sell shares in proportion to other founder shareholders to the MAM Employee Benefit Trust, up to a maximum of 1% each year. The Board has increased the value of its holding in MAM to £59.8m, which represents 31.1% of total assets. The valuation is based on the formulaic valuation which reflects three

Chief Executive's Report

year historic average earnings and cash held on the balance sheet and the Board believes that it reflects fair value.

MAM's assets under management fell from £14.6bn to £13.8bn in the six months to 31 March 2018, which reflects weaker stock markets and a small net outflow. The newer Global Funds, having passed their three year milestones, received positive net new business flows over the period and continue to receive broad endorsements from a number of investment consultants.

The increase in dividend from MAM reflects a good operational performance and a strong balance sheet.

Summary

The overall investment performance in the six months to 31 March 2018 was disappointing. There were two main reasons. First, the Company is meaningfully exposed to the UK stock market and following the Brexit vote the UK has been deeply out of favour with investors. In the momentum driven market of 2017 and, particularly, during the final quarter, this negative sentiment reached extreme levels leaving the UK market looking historically cheap relative to Global markets and gilts. It is notable that in recent months corporate activity in the form of takeover activity suggests industry players see good value in the UK market. The UK market also offers defensive qualities due to

its sector composition and an attractive yield.

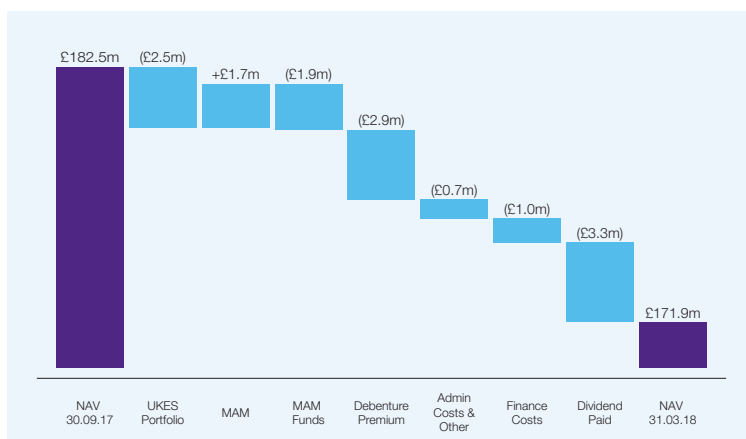
On a look through basis the FTSE All-Share index derives up to 70% of its earnings from overseas which are more attractively valued on the UK market than elsewhere.

Secondly MAM's long only funds, apart from the MAM UK Income Fund, underperformed their respective markets in the six months to 31 March 2018. This was principally due to the managers tilting portfolios towards a value position in the face of strong market momentum, in the last quarter of 2017. They were concerned that global markets were overlooking the economic headwinds of the phased ending of Quantitative Easing and increasing bond yields which could signal the end of the benign monetary policies pursued in recent years, just as some lead economic indicators are turning down. The funds are largely now ahead of their respective benchmarks for the calendar year to date. The Tortoise Fund as an absolute return fund is designed, in part, to reduce the downside volatility of returns to shareholders. In times of rapidly rising markets, such as 2017, this holding can depress returns which should be recouped as markets become more volatile.

Notwithstanding the slightly subdued returns in the six months to 31 March 2018 the portfolio is defensively positioned and should prove relatively resilient should equity market volatility return.

Development of Net Asset Value (NAV)

The chart below shows the NAV development during the six months to 31 March 2018. In aggregate the NAV has decreased by £10.6m, having recorded total investment income and losses of £2.7m, having incurred net administration and finance costs of £1.7m, paid a premium on the redemption of the 9.5% March 2020 debenture of £2.9m, and having paid out dividends of £3.3m.



Allocation of Total Assets at 31 March 2018

	Value £000s	% of Total Assets
MAM UK Equity Segregated Portfolio	55,277	28.7
MAM UK Income Fund	15,195	7.9
MAM Global Equity Fund	20,007	10.4
MAM Global Focus Fund	6,994	3.6
MAM US Equity Fund	7,562	3.9
MAM Tortoise Fund	26,774	13.9
MAM	59,824	31.1
Net Cash/realisation portfolio*	743	0.4
	192,376	100.0

* Net Cash and realisation portfolio do not include cash held in the MAM UK Equity Segregated Portfolio or MAM funds.

Chief Executive's Report

MAM Fund Performance

	6 months to 31 March 2018			Since MI invested		
	% Fund return	% Benchmark return	% Relative performance	% Fund return	% Benchmark return	% Relative performance
MAM UK Equity Segregated Portfolio	(4.8)	(2.3)	(2.5)	21.1	24.0	(2.9)
MAM UK Income Fund	(0.3)	(2.3)	2.0	33.0	28.2	4.8
MAM Global Equity Fund	(0.5)	0.2	(0.7)	55.6	54.3	1.3
MAM Global Focus Fund	(1.7)	0.2	(1.9)	51.3	54.3	(3.0)
MAM US Equity Fund	(0.2)	0.9	(1.1)	64.7	72.8	(8.1)
MAM Tortoise Fund	(5.5)			(2.6)		

Notes:

All Fund returns are quoted in Sterling, net of fees.

The initial investment in the MAM UK Equity Segregated Portfolio was made on 22 January 2014.

The initial investment in the MAM UK Income Fund was made on 29 January 2014.

The initial investments in MAM Global Equity Fund, MAM Global Focus Fund and MAM US Equity Fund were made on 30 June 2014 and 26 June 2014 respectively, at the inception of each fund. The Company is invested in the Sterling share classes.

The initial investment in the MAM Tortoise Fund was made on 29 January 2014.

William Barlow

Chief Executive

For and on behalf of the Board

23 May 2018

Fund Analysis

at 31 March 2018

Geographic and Sector Analysis at 31 March 2018

	% United Kingdom	% North America	% Europe	% Emerging Markets	% Asia Pacific	% Cash	% Total
Basic Materials	4.8	2.1		0.6			7.5
Consumer Goods	1.5	1.7	0.4	0.5	0.9		5.0
Consumer Services	13.3	3.6	1.0	1.4	0.4		19.7
Financials	12.7	4.3		0.7	0.2		17.9
Healthcare	2.5	2.3	0.9		0.2		5.9
Industrials	6.3	0.5	0.6	0.2			7.6
Oil & Gas	13.7	1.5	0.2				15.4
Technology	1.3	4.0	0.1	1.5			6.9
Telecommunications	3.3	0.5	4.0		0.8		8.6
Utilities	2.5	0.6					3.1
Cash						2.4	2.4
	61.9	21.1	7.2	4.9	2.5	2.4	100.0

Notes:

The assets analysed above are the aggregate exposure of MAM UK Equity Segregated Portfolio, MAM UK Income Fund, MAM Global Equity Fund, MAM Global Focus Fund and MAM US Equity Fund. The aggregate represents a total of 54.5% of the Company's total assets.

Exposures are classified on the the stock exchange on which the underlying equity is listed and FTSE sector classification.

Twenty Largest MAM UK Equity Segregated Portfolio Holdings

at 31 March 2018

Company	Fair Value £000	% of MAM UK Equity Segregated Portfolio
MAM UK Smaller Companies Fund	5,001	9.0%
Royal Dutch Shell PLC	3,998	7.2%
BP PLC	3,761	6.8%
Tesco PLC	2,645	4.8%
HSBC Holdings PLC	2,535	4.6%
GlaxoSmithKline PLC	1,914	3.5%
Vodafone Group PLC	1,669	3.0%
WM Morrison Supermarkets PLC	1,655	3.0%
Centrica PLC	1,475	2.7%
Orange SA	1,469	2.7%
Barclays PLC	1,357	2.5%
Royal Bank of Scotland PLC	1,094	2.0%
Electrocomponents PLC	1,032	1.9%
Aviva PLC	968	1.8%
BT Holdings PLC	966	1.7%
Marks & Spencer PLC	837	1.5%
BAE Systems PLC	831	1.5%
Pearson PLC	776	1.4%
Ryanair Holdings PLC	763	1.4%
J Sainsbury PLC	734	1.3%
Sub-total	35,480	64.2%
Other (including cash)	19,797	35.8%
Total	55,277	100.0%

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chief Executive's Report on pages 4 to 10. This half-yearly financial report has not been audited or reviewed by the Company's auditor.

The financial statements continue to be prepared on a going concern basis. The approach used for the Annual Report is applied, including proper consideration of financial and cashflow forecasts, and it is believed that the Company has adequate financial resources to continue to operate for the foreseeable future.

The principal risks facing the Company remain unchanged since the date of the Annual Report for the year ended 30 September 2017, as set out in the Business Review within the Strategic Report (pages 15 and 16), with no particular subsequent heightened uncertainty. Risks faced by the Company include, but are not limited to, market risk, discount volatility, regulatory risk, financial risk, risks associated with banking and hedging and non-compliance with Section 1158 of the Corporation Tax Act 2010.

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

In accordance with the Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R, we confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure Guidance and Transparency Rule 4.2.4R, and gives a true and fair view of the assets, liabilities and financial position of the Company;
- (b) the Chief Executive's Report includes a fair review of the information required to be disclosed under the Disclosure Guidance and Transparency Rule 4.2.7R, interim management report. This includes (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements presented in the Half-Yearly Financial Report and (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (c) there were no changes in the transactions or arrangements with related parties as described in the Annual Report for the year ended 30 September 2017 that would have had a material effect on the financial position or performance of the Company in the first six months of the current financial year.

Andrew J Adcock

Chairman

For and on behalf of the Board

23 May 2018

Condensed Statement of Comprehensive Income

for the half year ended 31 March 2018

Half year ended 31 March 2018			
(unaudited)			
	Revenue	Capital	Total
	return	return	
Notes	£'000	£'000	£'000
Investments			
(Losses)/gains on investments at fair value through profit or loss		(7,303)	(7,303)
Net investment result		(7,303)	(7,303)
Income			
Income from investments	2	4,678	4,678
Other income	2	29	29
Total income		4,707	4,707
Management fees		(55)	(220)
Performance fees			
Administration expenses		(322)	(656)
(Loss)/return before finance costs and taxation		4,330	(3,472)
Finance costs		(249)	(996)
Premium paid on redemption of 9.50% March 2020 debenture	14	(2,869)	(2,869)
Net (loss)/return before taxation		4,081	(7,337)
Taxation	3	(5)	(5)
Net (loss)/return after taxation for the period		4,076	(7,342)
Return per ordinary share:		pence	pence
Basic	4	7.6	(13.8)

The total column of this statement is the Statement of Comprehensive Income of the Company, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies (AIC).

See notes 1 to 16.

Half year ended 31 March 2017		
	(unaudited)	
Revenue return £'000	Capital return £'000	Total £'000
	12,063	12,063
	12,063	12,063
4,378		4,378
30		30
4,408		4,408
(61)	(185)	(246)
	(5)	(5)
(345)	(338)	(683)
4,002	11,535	15,537
(351)	(1,056)	(1,407)
3,651	10,479	14,130
(3)		(3)
3,648	10,479	14,127
pence	pence	pence
6.8	19.6	26.4

Year ended 30 September 2017		
	(audited)	
Revenue return £'000	Capital return £'000	Total £'000
	14,680	14,680
	14,680	14,680
7,414		7,414
49		49
7,463		7,463
(122)	(364)	(486)
	(4)	(4)
(673)	(650)	(1,323)
6,668	13,662	20,330
(704)	(2,112)	(2,816)
5,964	11,550	17,514
(13)		(13)
5,951	11,550	17,501
pence	pence	pence
11.1	21.6	32.7

Condensed Statement of Changes in Equity

for the half year ended 31 March 2018

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000
Half year ended 31 March 2018				
(unaudited)				
30 September 2017		5,344	3,054	56
Net return after taxation for the period				
Dividends declared and paid in period	6			
31 March 2018		5,344	3,054	56
Half year ended 31 March 2017				
(unaudited)				
30 September 2016		5,344	3,054	56
Net return after taxation for the period				
Dividends declared and paid in period	6			
31 March 2017		5,344	3,054	56
Year ended 30 September 2017				
(audited)				
30 September 2016		5,344	3,054	56
Net return after taxation for the period				
Dividends declared and paid in period	6			
30 September 2017		5,344	3,054	56

Capital reserve £'000	Revenue reserve £'000	Total £'000
149,499	24,591	182,544
(11,418)	4,076	(7,342)
	(3,340)	(3,340)
138,081	25,327	171,862

137,949	23,583	169,986
10,479	3,648	14,127
	(3,073)	(3,073)
148,428	24,158	181,040

137,949	23,583	169,986
11,550	5,951	17,501
	(4,943)	(4,943)
149,499	24,591	182,544

Condensed Balance Sheet

at 31 March 2018

		31 March 2018 (unaudited) £'000	31 March 2017 (unaudited) £'000	30 September 2017 (audited) £'000
	Notes			
Non-current assets				
Property and equipment		44	63	50
Investments at fair value through profit or loss	8	189,785	210,403	213,748
		189,829	210,466	213,798
Current assets				
Trade and other receivables		334	385	228
Cash and cash equivalents		3,219	5,215	3,566
		3,553	5,600	3,794
Total assets		193,382	216,066	217,592
Current liabilities				
Trade and other payables		(1,006)	(1,079)	(1,085)
Total assets less current liabilities		192,376	214,987	216,507
Non-current liabilities				
Debentures		(20,514)	(33,947)	(33,963)
Total liabilities		(21,520)	(35,026)	(35,048)
Net assets		171,862	181,040	182,544

	31 March 2018 (unaudited) £'000	31 March 2017 (unaudited) £'000	30 September 2017 (audited) £'000
Notes			
Represented by:			
Ordinary share capital	5,344	5,344	5,344
Share premium account	3,054	3,054	3,054
Capital redemption reserve	56	56	56
Capital reserve	138,081	152,127	149,499
Revenue reserve	25,327	20,459	24,591
Equity Shareholders' Funds	171,862	181,040	182,544
Net asset value per share	pence	pence	pence
Basic	321.6	338.8	341.6

Condensed Cash Flow Statement

for the half year ended 31 March 2018

		Half year ended 31 March 2018 (unaudited) £'000	Half year ended 31 March 2017 (unaudited) £'000	Year ended 30 September 2017 (audited) £'000
	Notes			
Net cash inflow from operating activities	12	20,314	6,236	7,848
Investing activities				
Purchase of tangible assets		(7)	(23)	(23)
Net cash outflow from investing activities		(7)	(23)	(23)
Financing activities				
Interest paid		(987)	(1,392)	(2,783)
Dividends paid		(3,340)	(3,073)	(4,943)
Redemption of 9.50% March 2020 debenture	14	(16,327)		
Net cash outflow from financing activities		(20,654)	(4,465)	(7,726)
(Decrease)/increase in cash and cash equivalents for the period		(347)	1,748	99
Cash and cash equivalents at start of period		3,566	3,467	3,467
Cash and cash equivalents at end of period		3,219	5,215	3,566

Notes to the Accounts

as at 31 March 2018

1. Accounting Policies

The Condensed Financial Statements on pages 14 to 20 comprise the unaudited results of the Company for the six months to 31 March 2018 and are presented in pounds sterling, as this is the functional currency of the Company.

The Condensed Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all financial information required for full financial statements. The Condensed Financial Statements have been prepared using the accounting policies adopted in the audited financial statements for the year ended 30 September 2017.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 September 2017. Since 1 October 2017 the Disclosure Initiative Amendments to IFRS 7 Statement of Cash Flows have been adopted by the Company. This has resulted in additional disclosure (see note 14), but has had no impact on the Company's financial performance or position.

Notes to the Accounts

as at 31 March 2018

2. Income

	Half year ended 31 March 2018 £'000	Half year ended 31 March 2017 £'000	Year ended 30 September 2017 £'000
Income from investments			
UK investment income*	4,505	4,235	6,967
Accumulation income	138	119	338
Overseas dividends	35	24	109
	4,678	4,378	7,414
Other income			
Deposit interest			3
Sundry income	29	30	46
	29	30	49
Total income	4,707	4,408	7,463
Total income comprises:			
Dividends	4,678	4,378	7,414
Interest			3
Other income	29	30	46
	4,707	4,408	7,463
Income from investments			
Listed UK	755	831	1,910
Listed overseas	35	24	109
Unlisted – MAM Funds	437	532	1,253
Unlisted	3,451	2,991	4,142
	4,678	4,378	7,414

* Includes MAM dividend income of £3,451,000 (half year to 31 March 2017: £2,991,000 and year ended 30 September 2017: £4,142,000).

3. Taxation

The charge for the half year to 31 March 2018 is £5,000 (half year to 31 March 2017: £3,000; year ended 30 September 2017: £13,000). These amounts represent irrecoverable withholding tax paid on overseas investment income.

The Company has an effective corporation tax rate of 0%. As investment gains are exempt from tax owing to the Company's status as an approved Investment Trust, and as there is expected to be an excess of management expenses over taxable income there is no charge for corporation tax.

4. Calculation of returns per ordinary share

Basic returns per ordinary share in each period are based on the return on ordinary activities after taxation attributable to equity shareholders. Basic return per ordinary share for the period is based on 53,439,000 shares (half year ended 31 March 2017 and the year ended 30 September 2017: 53,439,000), being the weighted average number of shares in issue.

5. Business segments

For management purposes the Company is organised into one principal activity, being investing activities, as described below:

Investing activities

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term. The Company operates as an investment trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 11.

Notes to the Accounts

as at 31 March 2018

6. Dividends

In accordance with IAS 10: Events After the Balance Sheet Date, interim dividends are not accounted for until paid. The following table summarises the amounts recognised as distributions to equity holders in the relevant period:

	Half year ended 31 March 2018 £'000	Half year ended 31 March 2017 £'000	Year ended 30 September 2017 £'000
2017 Final dividend of 6.25p paid on 24 January 2018	3,340		
2017 Interim dividend of 3.50p paid on 16 June 2017			1,870
2016 Final dividend of 5.75p paid on 25 January 2017		3,073	3,073
	3,340	3,073	4,943

Distributable reserves of the Company comprise the Capital and Revenue Reserves.

Dividends for the half year ended 31 March 2018 (and for the half year ended 31 March 2017 and the year ended 30 September 2017) have been solely made from the Revenue Reserve.

7. Investments

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price for listed securities, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or open ended investment companies are valued at the closing price, the bid price or the single price as appropriate, released by the relevant investment manager.

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV). These may include recent arm's length market transactions, the current fair value of another instrument which has substantially the same earnings multiples, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

8. Fair Value Hierarchy

Except for the Company's 7.25% 2025 Debenture Stock, which is measured at amortised cost under the effective interest rate method, financial assets and liabilities of the Company (re investments) are carried in the Balance Sheet at their fair value. Additionally the balance sheet amount is a reasonable approximation of fair value (re amounts in respect of sales for future settlement, dividends receivable, cash at bank, and purchases for future settlement). The fair value is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than a forced or liquidation sale.

Notes to the Accounts

as at 31 March 2018

8. Fair Value Hierarchy continued

The table below sets out fair value measurements of financial assets in accordance with the IFRS fair value hierarchy system:

Financial assets	Half year ended 31 March 2018			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	53,335			53,335
Unlisted equity securities (MAM Funds)		76,532		76,532
Unlisted equity securities			59,918	59,918
	53,335	76,532	59,918	189,785

Financial assets	Half year ended 31 March 2017*			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	60,745	23		60,768
Unlisted equity securities (MAM Funds)		91,188		91,188
Unlisted equity securities			58,447	58,447
	60,745	91,211	58,447	210,403

* Restated to reflect the transfer of MAM funds from listed to unlisted.

8. Fair Value Hierarchy continued

	Year ended 30 September 2017			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets				
Financial assets held at fair value through profit or loss				
Equities and managed funds				
Listed equity securities	55,934			55,934
Unlisted equity securities (MAM Funds)		96,122		96,122
Unlisted equity securities			61,692	61,692
	<u>55,934</u>	<u>96,122</u>	<u>61,692</u>	<u>213,748</u>

There have been no transfers during the period between Levels 1 and 2, and one sale out of Level 3.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments in normal market conditions (although it may invoke its fair value pricing policy in times of market disruption – this was not the case for 31 March 2018, 30 September 2017 or 31 March 2017).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information (the MAM funds are priced daily, remain highly liquid and are not subject to any such adjustments).

Notes to the Accounts

as at 31 March 2018

8. Fair Value Hierarchy continued

Instruments classified within Level 3 have significant unobservable inputs. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with IPEV Valuation Guidelines. New instruments are initially valued at cost, for a limited period, being the price of the most recent investment in the investee. This is in accordance with IPEV Guidelines as the cost of recent investments will generally provide a good indication of fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's current level 3 classified investments comprise certain individually immaterial unlisted investments, which total in aggregate £94,000, and the investment in MAM valued at £59,824,000. The carrying value of MAM is normally assessed twice a year by the Audit Committee and is approved by the Board. The fair value of MAM is based on a price at which the Company may sell its shares back to MAM and its employees, which is currently considered to be the sole market for the Company's shares. The significant input in assessing the price is the earnings of MAM and a 5.0% increase/decrease in MAM's earnings would result in an increase/decrease of 4.4% in the carrying value of MAM.

The table below sets out the movement in Level 3 instruments for the period:

	31 March 2018	
	Total £000	Equity investments £000
Opening balance	61,692	61,692
Sale proceeds recorded in the period	(70)	(70)
Total net loss for the period included in the Condensed Statement of Comprehensive Income	(1,704)	(1,704)
	59,918	59,918

8. Fair Value Hierarchy continued

The fair value of the Company's debenture stock is calculated using a standard present value methodology and by reference to the market yields of a comparable UK Treasury Bond instrument with a 2.50% risk premium being added.

	Half year ended 31 March 2018		Half year ended 31 March 2017		Year ended 30 September 2017	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000	£000	£000
Financial liabilities						
£13.5m (2016: £13.5m) 9.50% 2020 debenture stock*			13,452	16,159	13,459	15,620
£20.7m (2016: £20.7m) 7.25% 2025 debenture stock	20,514	25,267	20,495	26,373	20,504	25,706
	20,514	25,267	33,947	42,532	33,963	41,326

* The 9.50% March 2020 debenture stock was redeemed in November 2017. Further information is contained in the Chief Executive's Report on page 4.

The above financial liabilities would be classified as Level 2 financial instruments in the Fair Value Hierarchy.

9. Principal financial risks

The principal risks which the Company faces include exposure to:

- Market risk
- Foreign currency risk
- Interest rate risk
- Other price risk
- Credit risk
- Liquidity risk

Further details of the Company's management of these risks and the exposure to them are set out in Note 25 of the Company's Annual Report for the year ended 30 September 2017, as issued on 4 December 2017. There have been no changes to the management of these risks since that date. However on 6 November 2017, the Company redeemed, for cash with settlement on 6 December 2017, the entire amount outstanding of its 9.50% March 2020 debenture stock (further details are in the Chief Executive's Report on page 4). As such the Company's exposure to various risks has decreased proportionately.

Notes to the Accounts

as at 31 March 2018

10. Majedie Asset Management Limited (MAM)

As at 31 March 2018, the Company had a 17.1% equity shareholding in MAM, which provides investment management and advisory services across a range of UK and global equity strategies.

The carrying value of the investment in MAM is included in the Condensed Balance Sheet as part of investments at fair value through profit or loss:

	31 March 2018 £'000	31 March 2017 £'000	30 September 2017 £'000
Cost of investment	540	540	540
Holding gains	59,284	57,788	61,010
Fair value at period end	59,824	58,328	61,550

The carrying value of MAM in the 31 March 2018 Condensed Financial Statements is its fair value as assessed by the Audit Committee and approved by the Board as at 31 March 2018.

11. Net Asset Value

The net asset value per share has been calculated based on Equity Shareholders' Funds and on 53,439,000 (31 March 2017 and 30 September 2017: 53,439,000) ordinary shares, being the number of shares in issue at the period end.

12. Reconciliation of Operating Profit to Operating Cash Flow

	Half year ended 31 March 2018 £'000	Half year ended 31 March 2017 £'000	Year ended 30 September 2017 £'000
Net (loss)/return before taxation	(7,337)	14,130	17,514
Adjustments for:			
Losses/(gains) on investments	7,303	(12,063)	(14,680)
Accumulation dividends	(138)	(119)	(338)
Depreciation	14	12	25
Foreign exchange (gains)/losses	(1)	2	(1)
Purchases of investments	(5,426)	(18,447)	(26,043)
Sales of investments	22,135	21,470	28,580
	16,550	4,985	5,057
Finance costs	996	1,407	2,816
Premium paid on the redemption of the 9.50% March 2020 debenture	2,869		
Operating cash flows before movements in working capital	20,415	6,392	7,873
(Decrease)/increase in trade and other payables	(42)	(4)	5
Increase in trade and other receivables	(58)	(170)	(46)
Net cash flow from operating activities before tax	20,315	6,218	7,832
Tax recovered	4	22	31
Tax on overseas dividends	(5)	(4)	(15)
Net cash inflow from operating activities	20,314	6,236	7,848

Notes to the Accounts

as at 31 March 2018

13. Reconciliation of Net Cash Flow to Movement in Net Debt

	Half year ended 31 March 2018 £'000	Half year ended 31 March 2017 £'000	Year ended 30 September 2017 £'000
(Decrease)/increase in cash	(347)	1,748	99
Non cash items	13,449	(16)	(32)
Change in net debt	13,102	1,732	67
Net debt at beginning of period	(30,397)	(30,464)	(30,464)
Net debt at end of period	(17,295)	(28,732)	(30,397)

14. Reconciliation of changes in liabilities arising from financing activities

	30 September 2017 £000	Cash flows £000	Non-cash charges Premium on redemption £000	Amortisation of expenses £000	31 March 2018 £000
Long term borrowings					
£13.5m 9.50% 2020 debenture stock	13,459	(16,327)	2,869	(1)	
£20.7m 7.25% 2025 debenture stock	20,504			10	20,514
Total liabilities from financing activities	33,963	(16,327)	2,869	9	20,514

15. Related Party Transactions

Majedie Asset Management (MAM)

MAM is the Company's Investment Manager providing investment management services under an Investment Agreement. The agreement provides for MAM to manage the Company's investment assets on both a segregated portfolio basis and also by investments into various MAM collective investment vehicles or funds. Details of the Investment Agreement are contained in the material contracts section of the Directors' Report in the Company's Annual Report for the year ended 30 September 2017. As Investment Manager, MAM is entitled to receive investment management fees. In respect of the Segregated Portfolio these are charged directly to the Company and are shown as an expense in its accounts. Any management fees due in respect of the investments made into any MAM funds are charged in the fund and are therefore included as part of the investment value of the relevant holding. MAM is also entitled to performance fees in respect of the investment in the MAM Tortoise fund. The fees crystallise annually on 30 September and are calculated and charged against each individual investor. As such these are also shown as an expense in the Company's accounts and are charged wholly to capital. Details concerning the Company's investments in the period in the MAM funds are shown in the Chief Executive's Report on pages 5 to 7.

In addition to the above, the Company retains an investment in MAM itself. Mr JWM Barlow is a non-executive director of MAM but receives no remuneration for this role. MAM is accounted for as an investment in the Company accounts and is valued at fair value through profit or loss. Details concerning the Company's investment in MAM are included in the Chief Executive's Report on pages 7 to 8.

Notes to the Accounts

as at 31 March 2018

15. Related Party Transactions *continued*

The table below discloses the transactions and balances between those entities:

	Half year ended 31 March 2018 £'000	Half year ended 31 March 2017 £'000	Year ended 30 September 2017 £'000
Transactions during the period:			
Dividend income received from MAM	3,451	2,991	4,142
Performance fee income due to MAM (MAM Tortoise fund only)		5	4
Management fee income due to MAM (Segregated Portfolio only)	220	246	486
Balances outstanding at the period end:			
Between the Company and MAM (Segregated Portfolio investment management fees)	107	119	122
Value of the Company's investment in MAM	59,824	58,328	61,550

Transactions between related party companies during the period were made on terms equivalent to those that occur in arm's length transactions.

16. Financial Information

The financial information contained in this Half-Yearly Financial Report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the year ended 30 September 2017 has been extracted from the latest published audited accounts. Those accounts have been filed with the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. Those statutory accounts were prepared in accordance with IFRS, as adopted by the European Union.

Company Information

Board of Directors

A J Adcock, Chairman

P D Gadd

R D C Henderson

J W M Barlow (Executive)

All Directors are non-executive unless indicated

Registered Office

1 King's Arms Yard

London EC2R 7AF

Telephone: 020 7382 8170

E-mail: majedie@majedieinvestments.com

Registered number: 109305 England

Company Secretary

Link Company Matters Limited

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

Investment Manager

Majedie Asset Management Limited

10 Old Bailey

London EC4M 7NG

Telephone: 020 7618 3900

E-mail: info@majedie.com

Depository

BNY Mellon (International) Limited

1 Canada Square

London E14 5AL

The Depository has delegated the safe keeping of the Company's assets to the Custodian, The Bank of New York Mellon SA/NV, London Branch.

AIFM

Majedie Investments PLC

Registrars

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS99 6ZZ

Telephone: 0870 707 1159

Auditors

Ernst & Young LLP

25 Churchill Place

Canary Wharf

London E14 5EY

Stockbrokers

J.P. Morgan Cazenove

25 Bank Street

London E14 5JP

Website

www.majedieinvestments.com

Financial Calendar

Year end	30 September
Annual results	December
Half year results	May
Annual General Meeting	January
Dividends paid	January and June

2018 Interim Dividend Timetable

The interim dividend for the period ended
31 March 2018 is 4.0p per share.

Ex-dividend date	7 June
Record date	8 June
Payment date	22 June

