



# **Slater Investments Limited**

Slater Growth Fund

Interim Report

For the six months ended 30<sup>th</sup> June 2018

(Unaudited)

## **SLATER GROWTH FUND**

### **DIRECTORY**

#### **Registered Office**

Slater Investments Limited  
Nicholas House,  
3 Laurence Pountney Hill,  
London  
EC4R 0EU

#### **Authorised Fund Manager (AFM)**

Slater Investments Limited\*  
Nicholas House,  
3 Laurence Pountney Hill,  
London  
EC4R 0EU  
Telephone: (0207) 220 9460  
Fax: (0207) 220 9469

#### **Administrator and Registrar**

JTC Fund Services (UK) Limited\*  
7<sup>th</sup> Floor  
9 Berkeley Street  
London  
W1J 8DW

#### **Transfer Agent**

FNZ TA Services Limited\*  
Level 5  
67 Lombard Street  
London  
EC3V 9LJ

Investor Support: (0131) 473 1315

#### **Custodian**

RBC Investor Services Trust\*\*  
Riverbank House  
2 Swan Lane  
London  
EC4R 3BF

#### **Trustee**

National Westminster Bank Plc\*\*  
135 Bishopsgate  
London  
EC2M 3UR

#### **Auditor**

Barlow Andrews LLP  
Carlyle House  
78 Chorley New Road  
Bolton  
Lancashire  
BL1 4BY

\*Authorised and regulated by the Financial Conduct Authority.

\*\*Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## **SLATER GROWTH FUND**

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## SLATER GROWTH FUND

### AUTHORISED STATUS AND GENERAL INFORMATION

#### Authorised status

Slater Growth Fund (the "Fund") is an authorised unit trust scheme established by a Trust Deed dated 15 March 2004. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Fund is authorised and regulated by the Financial Conduct Authority with effect from 24 March 2004.

Unitholders of the Fund are not liable for the debts of the scheme.

#### Investment objectives

The investment objective of the Fund is to achieve capital growth.


The Fund will invest in companies both in the UK and overseas but concentrating mainly or, where appropriate, exclusively on UK shares. The Fund will focus in particular on shares which are deemed to be under valued and that have the potential of a significant re rating. Other investments including bonds, warrants and collective investment schemes, within the limits imposed by the trust deed may also be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Fund not to be fully invested but to hold cash and near cash. The Fund has powers to borrow as specified in COLL and may invest in derivatives and forward transactions for hedging purposes only.

#### Rights and terms attaching to each unit class

Each unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

### DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



Mark Slater  
Director



Ralph Baber  
Director

SLATER INVESTMENTS LIMITED

Date: 29/08/18

## SLATER GROWTH FUND

### FUND MANAGER'S REPORT

#### Report for the six months to 30 June 2018

<u>Performance</u>	Six Months	1 year	3 years	5 years	Since launch*
Slater Growth Fund P unit class	2.84%	13.83%	41.46%	130.66%	464.44%
Investment Association (IA) OE UK All Companies	2.74%	9.23%	28.59%	56.72%	170.39%

\* A unit class launched 30 March 2005

Markets have had to contend with the gradual ending of quantitative easing by the main central banks, combined in the UK's case with the rising drumbeat of uncertainty over Brexit. Sterling resumed its role as a shock absorber, helping the large overseas earners in the FTSE 100 but leaving domestically focused businesses under pressure. Interesting times, as they say, and likely to become more interesting yet.

**Alliance Pharma** contributed +1.19%. The company benefited from a raft of positive news flow during the period. It has seen 'good growth' from two of its International Star brands, Kelo-cote, its scar tissue treatment, and MacuShield, its treatment for macular degeneration. Two recent acquisitions, Vamousse (head lice) and Ametop (anaesthetic gel) are also said to be performing in line. There was excellent news on the Diclectin front (pregnancy-induced nausea and vomiting) with formal marketing authorisation from the UK authorities expected 'in the coming weeks' and its UK launch expected in the autumn, followed by continental Europe in 2019. This news is material. In a blue-sky scenario, peak sales could hit £40million, which compares with forecast group turnover of £117.5million this year. Alliance also announced the £60million acquisition of exclusive marketing rights to Nizoral (a medicated anti-dandruff brand) in the Asia Pacific region from Johnson & Johnson and we participated in a placing to help finance the deal. This transaction is expected to be materially earnings enhancing in the first full year of ownership.

**JTC** was added to the Fund after we participated in the March 2018 Initial Public Offering and contributed +0.53%. The company provides outsourced administration services for investment funds and trustees. It is based in Jersey, hence the J in the name, but most back office operations are actually in Cape Town. JTC is engaged in a race to buy smaller players and win outsourcing contracts from major banks.

In an update **STV Group** confirmed that trading was in line with the broader market. The company expects to see growth in national market airtime with the FIFA World Cup in June 2018. STV's revenues from digital activities are expected to be up +20% to +25% during 2018 and secured revenue from its production arm, STV Productions, is running well ahead of 2017. The new Chief Executive Officer also outlined the company's future strategy. The objective is for a third of earnings to be generated from non-spot advertising. Production is to be actively developed as a core function supporting STV channel and STV Player and news will be digitally enabled. It contributed +0.47%.

**IWG**, better known under its Regus trading name contributed +0.45%, has been the subject of repeated bid approaches. The company announced at the end of the second quarter that operating profit this financial year is expected to be £15-20million below consensus broker forecasts of £178million owing to weaker than expected UK performance and an acceleration of the roll out plan. The medium-term picture of a heavily-franchised serviced office network remains attractive. Management is accelerating the rate of global network growth and is now targeting an additional 45% of new space this year representing 275 new locations.

**Liontrust Asset Management** posted strong results for the year to March 2018, contributing +0.41%. These were driven primarily by a +16% increase in assets under management at year end to £10.5billion. The company has reduced its reliance on its economic advantage franchise and diversified into ethical funds. Momentum is continuing in the current financial year with assets under management hitting £11.3billion as at 25<sup>th</sup> June 2018.

## SLATER GROWTH FUND

### FUND MANAGER'S REPORT (CONTINUED)

#### Report for the six months to 30 June 2018

Fintech specialist **First Derivatives** contributed +0.39%. The company reported a +23% rise in sales and a +17% rise in earnings per share in the year to February 2018. The company has perfected the art of steadily raising expectations. For example, the consensus earnings per share forecast for the year to February 2019 was 68.1p a year ago. Now it is 79.4p. The upgrades are relentless. Significant potential upside remains for investors and depends, in large part, on the company's proprietary database software (Kx) replicating its success in other verticals outside finance. The latest version of Kx now supports unstructured data, which opens it up to a much wider universe of use-cases. To date, marketing technology is the most developed area. Only set up in 2015, this business posted revenues of £38million in the year to February 2018, up +24% year-on-year. Other promising and very substantial verticals include industrial applications, the Internet of Things, pharma, retail, telcos and utilities. The latest software release now supports the JavaScript Object Notation protocol for data sensors meaning that data from sensors can now be processed 10 times faster than before. Helped by this, Kx continues to outperform the competition when measured against industry performance benchmarks leaving the company well positioned against the backdrop of the volume of data being processed going through the roof.

**Entertainment One** contributed +0.39%. The company delivered another year of double-digit earnings growth for the year ending 31<sup>st</sup> March 2018 in line with broker forecasts. Led by the success of Peppa Pig and PJ Masks, the Family division is flying, generating \$2.4 billion in retail sales in the year, an increase of +60%. Television also had a strong year with revenue up +19% driven by the strong production slate, although Designated Survivor was not recommissioned by ABC. The reshaping of the Film distribution business from physical to digital delivered the expected cost savings. The on-going integration of Film, Television and Digital, including the integration of The Mark Gordon Company is expected to generate £13-15million of annualised cost savings by 2020. The \$1.7 billion valuation of the back catalogue does not include anything for content created or acquired since 1<sup>st</sup> April 2017. The company says it is on-track to meet its (2015) target of doubling the size of the business by 2020.

**Future** contributed +0.35%. The company buys declining print publications targeting hobbyists and builds them into powerful e-commerce platforms. Revenue from e-commerce more than offsets the decline in the print titles. By way of illustration, in the half year to March 2018, organic e-commerce revenue increased +76%. The key to this is Future's in-house technology platform, which optimises the content produced by its journalists for Google search phrases resulting in high page rankings. One example flagship site is Techradar, which is dominant in the UK and building a US audience rapidly. Another top title is PC Gaming. The target market is predominantly men with money to spend on obsessive hobbies. Recent acquisitions, such as Home Interest's print titles, were in large part behind events revenue growing by +142%. Acquisitions have also widened the reach to big ticket items such as self-build homes. March 2018 interims reported in May 2018 showed a +45% rise in adjusted earnings per share. We remain conscious of the risks of acquisitive businesses, both in operations and financial reporting, but the dynamic growth characteristics of e-commerce and the commercial logic of Future's deals gives us comfort. The US also holds great potential. Organic revenue growth during the period was +22%.

**JPJ** contributed +0.31%. The company might be slightly better known as Jackpotjoy, which used to advertise its bingo website with the help of former Carry On actress Barbara Windsor. The business throws off £100million in cash per annum yet trades on a very modest rating. The UK part of JPJ was bought from private company Gamesys, which still provides its IT platform. Critics have warned that Gamesys may move into competition with JPJ when its non-compete ends in 2020. We believe the relationship is too lucrative to Gamesys for it to risk, especially as JPJ already runs 30% of its business on its own platform and would be hard to dislodge in a business where scale is vital. The shares closed the half year on a price to earnings ratio of 8 and an underlying growth rate of 10%.

## SLATER GROWTH FUND

### FUND MANAGER'S REPORT (CONTINUED)

#### Report for the six months to 30 June 2018

**Prudential** might feel aggrieved that its long-awaited decision to demerge its UK and European operations has been met with such indifference contributing -0.26%. Admittedly the demerger will not take effect until 2020, so there is plenty of time to chew over the numbers. In fact this is often the case in demergers, with the benefits only becoming clear in the aftermath. Meantime the shares remain heavily subject to equity market movements, both as the member of the FTSE 100 and as a manager of equity portfolios. Sceptics warn that the Asian business is 65% exposed to Hong Kong, a mature market, with much of the rest focused on Indonesia. Meantime arch-rival AIA is focused on mainland China. Prudential clearly needs to gain ground in China as well. But this is exactly the point of the demerger. Freed of European distractions, it will have a mandate from investors to push harder for growth.

**Taptica International** contributed -0.30% and was sold during the period. We believe the Adtech market is maturing and becoming more like mainstream advertising. This will put steadily increasing pressure on smaller players and will drive consolidation. Additionally, there is some general scepticism over the effectiveness of digital advertising. Despite the fall in 2018, the shares sold in the period still generated a +201% gain over their purchase cost.

**Restore** reported a +25% rise in adjusted earnings per share for 2017. The company contributed -0.40%. It also bought TNT Business Solutions for £88million and part-funded it with a £51.5million placing. The TNT deal should generate real synergies in the document management division and should be significantly earnings enhancing.

**XLMedia** issued a profit warning contributing -0.58%. The company cited a slowdown amongst some gambling customers in Australia, Germany and the UK following the adverse impact of regulatory changes. Rapidly changing marketing conditions are intrinsic to XLMedia's business model. Some hiccups are inevitable but this warning does remind us that instability of this sort merits a low earnings multiple.

Email services company **dotDigital** has been a great performer for the Fund and it will be again. The company contributed -0.66%. In the first half it suffered from anxieties over the impact of tighter regulations on personal data, General Data Protection Regulation (GDPR). There was also concern after key distribution partner Magento was bought by Adobe. Since the half year the company has issued a very encouraging trading update. This has put to rest concerns about GDPR, at least in the near term. The plans of Adobe remain unclear but dotDigital reports it has been 'business as usual' so far with Magento. We see dotDigital as a core holding.

**Hutchison China MediTech** was rampant last year, so a sharp fall during a period of more volatile market conditions was not a surprise. It contributed -1.40%. The company has eight drugs in the clinic, including three in phase 3. These are all small molecules which inhibit the activity of specific kinases. The kinases act to energise cells into excessive growth. One of the phase 3 drugs, Fruquintinib, was submitted to the Chinese regulators for approval last summer. A decision should be imminent, though the Chinese food and drug administration is known to take its time. The most promising drug is Savolitinib, which targets c-MET, a protein implicated in several major solid tumour diseases. We remain very upbeat about prospects, as the clinical data reported so far on the advanced programmes has been consistently good.

#### Acquisitions and disposals

During the period we sold positions in **OPG Power Ventures, Photo-Me, Staffline and Taptica International**. We reduced positions in **First Derivatives, Hutchison China MediTech, Restore and XLMedia**.

We bought positions in **Charles Taylor, Codemasters, Gocompare, JPJ and JTC**. We added to positions in **Alliance Pharma, Breedon Aggregates, Entertainment One, Inspired Energy, Liontrust Asset Management, Prudential, Quiz, SafeCharge International and STV**.

Slater Investments Limited  
30 June 2018

## SLATER GROWTH FUND

### FUND MANAGER'S REPORT (CONTINUED)

#### Distributions (pence per unit)

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Class A Accumulation</u>				
Net income paid last day of February	0.2182	1.6499	0.4726	0.4348
<u>Class B Accumulation</u>				
Net income paid last day of February	2.6512	3.7314	2.4374	2.1218
<u>Class P Accumulation</u>				
Net income paid last day of February	3.9343	4.8066	3.4362	2.9795

#### Material portfolio changes

For the six months ended 30 June 2018

<b>Purchases</b>	<b>Cost (£)</b>	<b>Sales</b>	<b>Proceeds (£)</b>
Codemasters	11,280,000	First Derivatives	6,864,419
JPJ	10,931,122	Staffline Group	6,696,593
JTC	10,278,892	Taptica International	3,906,493
Future	7,458,225	Hutchison China MediTech ADR	3,230,957
Gocompare.com	5,669,469	Restore	2,470,737
Prudential	4,761,881	XLMedia	2,422,350
Charles Taylor	4,698,486	Photo-Me International	2,133,709
Safecharge	4,249,045	OPG Power Ventures	1,196,500
Entertainment One	3,435,020	Hutchison China MediTech	885,338
Breedon Group	3,075,387		
Liontrust Asset Management	1,833,258		
Alliance Pharma	1,769,950		
Quiz	1,208,813		
Next Fifteen Communications	1,116,307		
STV Group	886,828		
Inspired Energy	295,820		
Ergomed	95,000		
<b>Total purchases for the six months</b>	<b>73,043,503</b>	<b>Total sales for the six months</b>	<b>29,807,096</b>



## SLATER GROWTH FUND

### FUND INFORMATION

#### Price and distribution record

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Accumulation</u>			
31 December 2015	451.03p	353.33p	0.4726p
31 December 2016	448.09p	349.53p	1.6499p
31 December 2017	521.98p	404.16p	0.2182p
31 December 2018*	529.69p	479.55p	-
<u>Class B Accumulation</u>			
31 December 2015	438.58p	358.54p	2.4374p
31 December 2016	435.91p	357.62p	3.7314p
31 December 2017	539.72p	415.30p	2.6512p
31 December 2018*	548.73p	496.61p	-
<u>Class P Accumulation</u>			
31 December 2015	441.69p	360.36p	3.4362p
31 December 2016	439.10p	361.63p	4.8066p
31 December 2017	548.43p	420.81p	3.9343p
31 December 2018*	559.17p	505.17p	-

\*six month period to 30 June 2018

#### Number of units in issue/Net asset value per unit

	Net asset value of scheme property	Number of units in issue	Net asset value per unit
<u>Class A Accumulation</u>			
31 December 2015	£61,737,799	14,648,081	421.47p
31 December 2016	£44,226,643	10,933,716	404.50p
31 December 2017	£52,573,009	10,071,924	521.98p
30 June 2018	£44,272,366	8,390,071	527.68p
<u>Class B Accumulation</u>			
31 December 2015	£9,920,724	2,320,593	427.51p
31 December 2016	£9,010,289	2,167,828	415.64p
31 December 2017	£11,115,523	2,059,501	539.72p
30 June 2018	£11,603,819	2,121,849	546.87p
<u>Class P Accumulation</u>			
31 December 2015	£268,194,783	62,207,917	431.13p
31 December 2016	£341,004,926	80,969,590	421.15p
31 December 2017	£432,892,452	78,932,781	548.43p
30 June 2018	£536,383,350	96,233,181	557.38p
<b>Ongoing charges</b>			
	<u>Class A Accumulation</u>	<u>Class B Accumulation</u>	<u>Class P Accumulation</u>
31 December 2017	1.54%	1.03%	0.78%
30 June 2018	1.58%	1.03%	0.77%

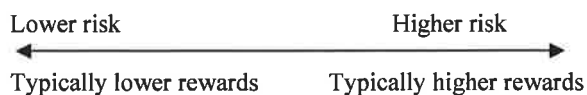
The ongoing charge figure is based on the annualised expenses for the period. This figure may vary from period to period. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment scheme.

**SLATER GROWTH FUND**

**FUND INFORMATION (CONTINUED)**

**Synthetic risk and reward indicator**



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The risk and reward indicator above aims to provide you with an indication of the overall risk and reward profile of the Fund. It is calculated based on the volatility of the Fund using weekly historic returns over the last five years. If five years data is not available for a fund, the returns of a representative portfolio are used.

This Fund has been measured as 5 because it has experienced moderate to high volatility historically.

## SLATER GROWTH FUND

### FUND INFORMATION (CONTINUED)

#### Portfolio statement

as at 30 June 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			30 June'18 %	31 Dec'17 %
<b>APPAREL RETAILERS</b>				
3,390,856	Quiz	6,391,764	1.08	
	Total Apparel Retailers	6,391,764	1.08	0.84
<b>CONSTRUCTION &amp; MATERIALS</b>				
9,270,114	Breedon Group	7,564,413	1.28	
11,390,243	Sigmaroc	4,556,097	0.77	
	Total Construction & Materials	12,120,510	2.05	1.86
<b>CONSUMER SERVICES</b>				
4,520,344	Gocompare.com	5,921,651	1.00	
1,350,000	JPJ	12,973,500	2.19	
	Total Consumer Services	18,895,151	3.19	-
<b>ELECTRICITY</b>				
	Total Electricity	-	-	0.27
<b>FINANCIAL SERVICES</b>				
3,111,310	AFH Financial Group	9,831,740	1.66	
595,638	Arbuthnot Banking Group	9,411,080	1.59	
1,699,218	Charles Taylor	5,267,576	0.89	
353,420	Close Brothers Group	5,248,287	0.89	
3,531,694	JTC	13,561,705	2.29	
1,875,270	Liontrust Asset Management	11,701,685	1.98	
165,577	River & Mercantile	443,746	0.07	
	Total Financial Services	55,465,819	9.37	5.94
<b>GENERAL RETAILERS</b>				
1,584,982	CVS Group	17,941,996	3.03	
	Total General Retailers	17,941,996	3.03	3.32
<b>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</b>				
1,125,000	Telford Homes	4,421,250	0.75	
	Total Household Goods & Home Construction	4,421,250	0.75	0.95
<b>INDUSTRIAL ENGINEERING</b>				
400,000	Pressure Technologies	480,000	0.08	
2,369,307	Trifast	5,852,188	0.99	
	Total Industrial Engineering	6,332,188	1.07	1.29

**SLATER GROWTH FUND**

**FUND INFORMATION (CONTINUED)**

**Portfolio statement (continued)**

as at 30 June 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			30 June'18 %	31 Dec'17 %
<b>INDUSTRIAL TRANSPORTATION</b>				
3,775,000	Avation	8,418,250	1.42	
220,000	James Fisher & Sons	3,832,400	0.65	
	Total Industrial Transportation	12,250,650	2.07	2.47
<b>LEISURE GOODS</b>				
	Total Leisure Goods	-	-	0.69
<b>LIFE INSURANCE</b>				
1,260,000	Prudential	21,854,700	3.69	
	Total Life Insurance	21,854,700	3.69	3.86
<b>MEDIA</b>				
5,204,743	Entertainment One	19,132,635	3.23	
2,850,000	Future	14,934,000	2.52	
6,825,000	ITV	11,875,500	2.01	
1,352,618	Matomy Media Group	527,521	0.09	
2,581,452	Next Fifteen Communications	12,674,929	2.14	
2,415,742	STV Group	10,580,950	1.79	
1,550,000	Wilmington Group	3,735,500	0.63	
2,063,361	XLMedia	2,125,262	0.36	
	Total Media	75,586,297	12.77	13.21
<b>OIL &amp; GAS PRODUCERS</b>				
12,503,900	Amerisur Resources	1,885,588	0.32	
	Total Oil & Gas Producers	1,885,588	0.32	0.45
<b>PHARMACEUTICALS &amp; BIOTECHNOLOGY</b>				
26,945,000	Alliance Pharma	26,028,870	4.39	
329,464	Clinigen Group	3,017,890	0.51	
2,950,000	Ergomed	5,162,500	0.87	
674,540	Hutchison China MediTech	30,691,570	5.18	
498,655	Hutchison China MediTech ADR	11,372,464	1.92	
	Total Pharmaceuticals & Biotechnology	76,273,294	12.87	16.27

## SLATER GROWTH FUND

### FUND INFORMATION (CONTINUED)

#### Portfolio statement (continued)

as at 30 June 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			30 June'18 %	31 Dec'17 %
<b>SOFTWARE &amp; COMPUTER SERVICES</b>				
5,640,000	Codemasters	12,577,200	2.12	
15,072,123	DotDigital Group	11,153,371	1.88	
579,000	First Derivatives	26,923,500	4.55	
1,890,625	Iomart Group	7,033,125	1.19	
4,679,111	NCC Group	9,573,461	1.62	
6,913,895	Redcentric	5,918,294	1.00	
	<b>Total Software &amp; Computer Services</b>	<b>73,178,951</b>	<b>12.36</b>	<b>14.37</b>
<b>SUPPORT SERVICES</b>				
32,712,695	Inspired Energy	6,378,976	1.08	
4,450,000	IWG	14,217,750	2.40	
4,270,000	Lakehouse	1,836,100	0.31	
1,550,000	Mears Group	5,192,500	0.88	
3,700,242	Restore	18,945,239	3.20	
1,991,547	Safecharge	6,771,260	1.14	
4,940,000	WYG	2,667,600	0.45	
	<b>Total Support Services</b>	<b>56,009,425</b>	<b>9.46</b>	<b>12.11</b>
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>				
417,500	CML Microsystems	2,191,875	0.37	
	<b>Total Technology Hardware &amp; Equipment</b>	<b>2,191,875</b>	<b>0.37</b>	<b>0.42</b>
<b>TRAVEL &amp; LEISURE</b>				
9,433,879	Marston's	9,386,710	1.58	
2,125,128	On the Beach	10,646,891	1.80	
	<b>Total Travel &amp; Leisure</b>	<b>20,033,601</b>	<b>3.38</b>	<b>4.14</b>
<b>OVERSEAS SECURITIES</b>				
162,000	Walt Disney	12,871,648	2.17	
	<b>Total Overseas Securities</b>	<b>12,871,648</b>	<b>2.17</b>	<b>2.60</b>
	<b>Portfolio of investments</b>	<b>473,704,707</b>	<b>80.00</b>	<b>85.06</b>
	<b>Net current assets</b>	<b>118,554,828</b>	<b>20.00</b>	<b>14.94</b>
	<b>Net assets</b>	<b>592,259,535</b>	<b>100.00</b>	<b>100.00</b>

## SLATER GROWTH FUND

### FUND INFORMATION (CONTINUED)

#### Portfolio transactions for the six months ended 30 June 2018

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at the respective markets close as at 30 June 2018, being the last valuation point of the period. Market value is defined by the SORP as fair value which is generally the bid value of each security. Where applicable, investments are valued to exclude accrued income. Where a stock is unlisted or where there is an illiquid market, a valuation for this stock has been obtained from market makers where possible while suspended stocks are normally valued at their suspension price. However, where the AFM believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the AFM reflects a fair and reasonable price for that investment.

	£
Total purchases, including transaction charges	73,043,503
Total sales proceeds, net of transaction charges	29,807,096

**SLATER GROWTH FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)**  
**For the six months ended 30 June 2018**

**Statement of total return**

	<b>30 June 2018</b>		<b>30 June 2017</b>	
	£	£	£	£
<b>Income</b>				
Net capital gains		8,027,783		59,741,684
Revenue	3,498,770		4,046,859	
Expenses	(2,183,537)		(1,872,427)	
Net revenue before taxation	<u>1,315,233</u>		<u>2,174,432</u>	
Taxation	<u>(2,032)</u>		<u>(8,749)</u>	
Net revenue after taxation		<u>1,313,201</u>		<u>2,165,683</u>
<b>Total return before distributions</b>		9,340,984		61,907,367
Distributions		89,457		13,026
<b>Change in net assets attributable to unitholders from investment activities</b>		<u>9,430,441</u>		<u>61,920,393</u>

**Statement of changes in net assets attributable to unitholders**

	<b>30 June 2018</b>		<b>30 June 2017</b>	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		*496,580,984		^394,241,858
Amounts receivable on issue of units	101,641,810		16,201,440	
Amounts payable on cancellation of units	(15,408,963)		(22,461,546)	
Amounts receivable/(payable) on unit class conversions	<u>15,263</u>		<u>(2,259)</u>	
		86,248,110		(6,262,365)
Change in net assets attributable to unitholders from investment activities		9,430,441		61,920,393
Retained distributions on accumulation units		-		-
<b>Closing net assets attributable to unitholders</b>		<u>592,259,535</u>		<u>449,899,886</u>

\*As at 31 December 2017

^As at 31 December 2016

## SLATER GROWTH FUND

### INTERIM FINANCIAL STATEMENTS (unaudited) (CONTINUED)

For the six months ended 30 June 2018

#### Balance sheet

	30 June 2018		31 December 2017	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		473,704,707		422,412,384
<b>Current Assets</b>				
Debtors	8,381,902		18,428,514	
Cash	<u>110,275,743</u>		<u>56,036,958</u>	
Total current assets		<u>118,657,645</u>		<u>74,465,472</u>
Total assets		<u>592,362,352</u>		<u>496,877,856</u>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Other creditors	<u>102,817</u>		<u>296,872</u>	
Total liabilities		<u>102,817</u>		<u>296,872</u>
<b>Net assets attributable to unitholders</b>		<u>592,259,535</u>		<u>496,580,984</u>

#### Notes to the interim financial statements

##### Basis of preparation

The financial statements have been prepared in compliance with FRS102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

##### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017 and are described in those annual financial statements.





**Slater Investments Limited**

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0EU

Investor Relations: 020 7220 9460

Dealing: 0131 473 1315

Email: [lisa@slaterinvestments.com](mailto:lisa@slaterinvestments.com)

Website: [slaterinvestments.com](http://slaterinvestments.com)

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