



Slater Investments Limited

Slater OEIC

Interim Report

For the six month period ended 31st October 2018

(Unaudited)

**SLATER OEIC
SLATER INCOME FUND**

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**SLATER OEIC
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AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

Slater OEIC is an investment company with variable capital (ICVC) incorporated under the Open Ended Investment Company (OEIC) Regulations 2001. It is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with the registration number IC000910 and is authorised and regulated by the Financial Conduct Authority with effect from 22 August 2011. The shareholders are not liable for the debts of the Company.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub-fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle these liabilities.

The Company currently has one sub-fund, the Slater Income Fund.

Investment objectives

Slater Income Fund

The investment objective of the Fund is to produce an attractive and increasing level of income while additionally seeking long term capital growth by investing predominantly in the shares of UK listed companies across the full range of market capitalisations, including those listed on the Alternative Investment Market (AIM). From time to time the Fund may also hold the shares of companies listed overseas as well as cash, money market instruments, the units of collective investment schemes, bonds and warrants as permitted by the rules applicable to UCITS schemes and the Prospectus.

It is intended that the assets of the Fund will be managed so that it is eligible for quotation in the Investment Association's UK Equity Income sector.

The Fund has powers to borrow as specified in the FCA Collective Investment Schemes Sourcebook and may use derivatives for hedging and efficient portfolio management purposes only.

Rights and terms attaching to each share class

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

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AUTHORISED CORPORATE 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

SLATER INVESTMENTS LIMITED

18th December 2018

**SLATER OEIC
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FUND MANAGER'S REPORT

REPORT FOR THE HALF YEAR TO 31ST OCTOBER 2018

<u>Performance</u>	Six months	1 year	3 years	5 years	Since launch*
Slater Income Fund P Inc unit class	-8.10%	-4.93%	+3.95%	+31.76%	+99.08%
Investment Association (IA) OE UK Equity Income	-4.87%	-3.62%	+16.07%	+28.39%	+91.99%

*A unit class launch 19 September
2011

This was clearly a difficult market. The Fund suffered from an unusually large number of profit warning disappointments in the period. Six companies fell by over a third and we examine their performance below. This autumn has seen a quickening drumbeat of profit warnings across a broad range of sectors. We suspect managements were too slow to reduce expectations last year, leaving them more vulnerable to missing numbers this year. The digital gale blowing through the economy is taking more tiles off the roofs of older businesses. In a sunny climate this impact is less obvious than when the rains are starting to pelt down. In addition, monetary conditions inevitably play a role. Domestic interest rates remain very low but money supply has stopped growing. Meantime the tightening of dollar liquidity and rise of US interest rates is clearly impacting equity valuations globally. The reserve currency status of the dollar means the decisions of the Federal Reserve have a vastly bigger effect internationally than those of the People's Bank of China or the European Central Bank, even though their three economies are of similar sizes. As for Brexit uncertainty, it has been a further headwind but one that remains hard to quantify.

To recap on the Fund's strategy, we seek to achieve a consistent performance by broadly dividing the Fund into three complementary categories – growth companies with attractive yields; dividend stalwarts with earnings pointing upwards; and high yielders with more cyclical upside. In all three categories we are looking to invest across the market capitalisation spectrum

Growth companies

Major contributors

Randall & Quilter went from strength to strength during the six months. It contributed +0.41% and the shares rose +16%. The company specialises in buying up books of risk which are in run-off. Typically these belong to in-house insurance companies, known as 'captives', set up by large corporations. Captives can bring a cost-saving to large companies during their early years. But as claims decline over time it becomes less efficient to leave the risk in stand-alone entities. Randall & Quilter mops them up. Interim results in September 2018 showed operating profits up +40% to £7.8 million. The company also announced a large \$80 million run-off acquisition, which it expects to lead to a material gain. Thanks to successive fundraisings, Randall & Quilter is playing in a bigger league, steadily buying larger run-off books.

STV contributed +0.29% and its share rose +17%. The TV company reported a +6% rise in earnings for the first half of 2018 and raised the dividend by +20%. We are happy with the strategy announced by new Chief Executive Simon Pitt. STV remains a small player in its market but he is deploying its resources shrewdly. The lossmaking STV2 was closed and the resources redirected to STV Player. The company is also working on some promising capital-light ventures in drama programmes. It will never be a media giant but its small size can make it agile.

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FUND MANAGER'S REPORT (CONTINUED)

Major detractors

Several growth companies had substantial negative contributions. Safecharge International fell -22% and contributed -0.26%. This payment processor has decided to sacrifice near term profit growth in order to build its sales force and enter new markets. We support the approach.

Photo-Me International contributed -0.38%. It was sold after it warned of tough conditions in Japan.

Centaur Media, which is best known for publishing *The Lawyer* and *Marketing Week* magazines and websites, produced a disappointing performance. It contributed -0.43% and the shares fell -30%. This culminated in a warning on 25th October 2018 that the company would raise operating profits by around 18%, like for like, but still miss brokers' forecasts for 2018. The company also said it would look to sell 'select businesses' to simplify the group. Centaur clearly needs more simplicity and more creative impetus.

Hostelworld fell -52% and contributed -0.50%. The slide has several causes. Feargal Mooney, Chief Executive since 2008, announced in May 2018 that he would be leaving the following month. His departure was a surprise. In February 2018 the company started offering free cancellation of bookings, matching the terms offered by Booking.com. This has no direct effect on cashflow but meant booking fees were classed as deferred revenue until the booking was confirmed. Forecasts were downgraded as a result and the forward price/earnings ratio fell from 23 times in May 2018 to 11 times by 31st October 2018. Forecasts had slipped 20% in that time. Where are we now? We expect the shares to stabilise at their new and modest valuation. The price/earnings to growth ratio comparing price/earnings ratio to earnings growth now stands at 0.6, which is very low. Investors need to see forecasts stabilise, rather than edge modestly lower, before the share price can make real progress. In terms of lessons, the sudden departure of a long-term Chief Executive Officer who is still in good health is clearly a red flag.

Amino Technologies fell -42% and contributed -0.54%. Previously a steady performer, the plunge occurred in October 2018 when the company warned it only expected to make \$10.5 million pre-tax in the year to November 2018, which was 30% below forecasts. The first half profit was \$3.5 million but the company had by July 2018 already taken bookings equal to 75% of expected full year sales. It blamed the warning on 'external macroeconomic headwinds' in emerging markets. In the US, where Amino has been working to build sales, it has seen 'confusion' by customers over the threat of import tariffs. Component costs have also risen sharply. But we take the company's decision to raise the full year dividend by 10% as a serious statement of confidence. The shares closed October 2018 on a price/earnings ratio of 8.7 and a yield of 5.6%.

McColl's Retail fell -46% and contributed -0.61%. The wholesale supplier Palmer & Harvey collapsed on 28th November 2017 but a week later McColl's issued a reassuring statement that contingency plans were in place. This confidence turned out to be misplaced. In fact there was serious disruption and loss of supplies, made worse by the harsh winter. The company also had to make expensive alternative sourcing arrangements. One of the replacement suppliers itself collapsed in March 2018. McColl's appeared to be steadying in the summer, helped by a faster than planned transfer to Morrison's. But in July 2018 it surprised the market with its interim results, warning it would be 'investing in the customer offer' to fend off competition from Lidl and Aldi. Convenience stores typically charge 10% more than mainstream supermarkets, who in turn charge around 10% more than the discounters. Both these price differentials have come under pressure.

RPS fell -39% and contributed -0.81%. This followed a warning on 25th October 2018 that triggered mid-teens downgrades in earnings for both 2019 and 2020. Newish Chief Executive John Douglas has been signalling since he arrived that the old RPS, which had been an acquisition machine, needs to be replaced by a new RPS which can grow without needing acquisitions. The wide arbitrage between quoted consultancies and private ones has narrowed sharply thanks to bidding activity by private equity players. There seems to be nothing fundamentally wrong with RPS as problems identified are specific and manageable. The company seems to have been labouring with overambitious forecasts inherited from the previous Chief Executive Officer. At 157p, the shares are on ten times and yield over 6%. Net debt is at an unalarming 1.2 times earnings before interest, taxes and amortisation.

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FUND MANAGER'S REPORT (CONTINUED)

XLMedia fell -52% and contributed -0.95%. In June 2018 the company warned of several unrelated problems that coincided. Most concerning of these was the company's failure to notice that traffic was being diverted from its sites by hacking bots. One result was that Google demoted the rankings of XLMedia's sites. As traffic moves relentlessly onto mobile, a high ranking become even more critical because the viewed page is so much smaller. The company says the hacking has been countered and it still has firepower for further acquisitions. Meantime investors have lost confidence and the rating has slumped to forward price/earnings ratio of 8 and a yield of 6.9%. A lengthy period of consolidation seems to be needed.

Stalwart Companies

Major contributor

Diversified Gas & Oil rose +36% and contributed +1.16%. In September 2018 it reported numbers for the June 2018 half. These showed that acquisitions helped raise output five-fold versus a year earlier. The company has been obliged to hedge a large proportion of its output for the next three years. This means it unfortunately gains only a modest benefit from current oil prices. It is seeking to adjust the size and type of hedging required by its lenders. Diversified plans further, larger acquisitions. In October 2018 the company made a further accretive acquisition in Appalachia, this time of \$183 million and funded by \$130 million debt plus 35 million new shares. Analysts estimated this boosted cashflow by a further 14% per share. At 31st October 2018 the yield was 8% and the price earnings was also 8.

Major detractors

Phoenix Group fell -24% and contributed -0.39%. Over the last year its shares have moved in lock-step with Chesnara, which is in the same business. Chesnara fell -15% and contributed -0.45%.

Barclays was bought during the period. It contributed -0.51%. The logic in buying the shares rested on the sharp discount to book value. At 31st October 2018 this stood at around 50%. Essentially this meant investors believe the bank will keep generating returns below its cost of capital. Some activist investors have pressed the management to redeploy capital from investment banking to the retail arm, in particular to Barclaycard. The bank's riposte to this pressure came on 24th October 2018 with its third quarter results. These showed a +19% rise in profits from investment banking. Among European banks, it is essentially the last man standing in the battle to compete with the US bulge bracket banks. There is no iron rule than Europeans are bound to fail at investment banking. But the UK's stricter rules on separating investment and retail banking may force it to operate differently, maybe more prudently. Barclays still expects to generate a 9% return on tangible equity in 2019 and 10% in 2020. If these numbers start to look hard to achieve, the pressure from activists will become stronger.

Royal Mail fell -39% delivered a -0.98% contribution and the position was sold. A trading statement on 1st October 2018 shocked the market by reporting only a 0.1% rise in productivity in the first half. This compared to a previous full year target of 2% to 3%. In terms of red flags, the planned departure of Chief Executive Moya Greene in July 2018 was announced in April 2018 and she left in July 2018. The shares peaked at 631p in May 2018, having risen +65% over the previous six months as investors celebrated the signing of a pensions revamp with the Communication Workers Union (CWU). With hindsight, we should have followed her example. Agreeing terms with the CWU was far from easy, but turning promises into productivity was always going to be even harder.

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FUND MANAGER'S REPORT (CONTINUED)

Cyclical companies

Kier fell -18% and contributed -0.25%. Concern has focused on the cash outflow as the company funds developments.

LafargeHolcim fell -16% and contributed -0.33%. In October 2018 the cement giant reported buoyant numbers for the third quarter, raising guidance for full year sales growth to 4% to 6% from the previous range of 3% to 5%. But at the same time it warned of higher energy costs and trimmed its forecast for growth in earnings before interest, taxes and amortisation to 3% to 5% from 'at least 5%.' At 31st October 2018 the shares were on a price/earnings ratio of 13.

Forterra fell -30% and contributed -0.70%. Weather-related disruption hurt Bison, the maker of concrete beams. Some issues were self-inflicted and there has been a change of management at this business. On 1st November 2018 the company said that sales had been in line in the third quarter but it reported that a kiln would need to be rebuilt, reducing expected profits by £2 million to £3 million. Energy costs and charges for carbon dioxide emissions have risen sharply this year for all brickmakers in Europe. This should not put Forterra at a competitive disadvantage but there are probably some lags in terms of recovering those costs through higher selling prices. We remain confident that demand for bricks for residential construction will remain buoyant, though the commercial construction market is looking less robust. The shares are on a price/earnings ratio of 8 and a yield of 4.9%.

Acquisitions and disposals

We bought holdings in Barclays, Duke Royalty, Morses Club, Plus500 and Rosenblatt. We added to holdings in Arena, Diversified Gas & Oil, ITV, LafargeHolcim, Lloyds Banking, Mortgage Advice Bureau and Sureserve. We sold Assura, Eurocell, Gattaca, John Laing Environmental Assets, Land Securities, Photo-Me International and Royal Mail. We reduced holdings in City of London Investment, Morgan Sindall, Regional Reit and XLMedia.

Outlook

The Fund suffered from an unusual number of companies announcing disappointing trading results. Some of these positions were cut immediately and some are being sold more gradually but others are extremely cheap and are being retained. Centaur Media has attracted private equity bids for assets which will highlight the value in the business. Hostelworld is now absurdly cheap, as are Amino Technologies and RPS. Forterra is very well managed and its recent problems do not relate to demand for its products. Elsewhere in the portfolio, companies have not disappointed but still trade on modest valuations. Price/earnings ratios of 8-10 are now the norm.

We are therefore much more bullish about the outlook today than for some time, based on valuation. There may be macroeconomic clouds on the horizon, and business conditions are challenging for some companies, but this is commonly reflected in the price.

Slater Investments Limited.
18th December 2018

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FUND MANAGER'S REPORT (CONTINUED)

Distributions (pence per share)

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Class A Income</u>				
Net income paid 31 March	1.0160	1.0024	0.9911	0.7721
Net income paid 30 June	2.7172	2.8102	2.5361	2.2730
Net income paid 30 September	1.5391	1.4193	1.4346	1.1607
Net income paid 31 December	* 1.9933	2.1567	2.3841	2.0952
<u>Class A Accumulation</u>				
Net income paid 31 March	1.1167	1.0524	0.9899	N/A
Net income paid 30 June	3.0054	2.9697	2.5528	N/A
Net income paid 30 September	1.7310	1.5258	1.4683	N/A
Net income paid 31 December	* 2.2634	2.3390	2.4640	N/A
<u>Class B Income</u>				
Net income paid 31 March	1.0470	1.0280	1.0101	0.7840
Net income paid 30 June	2.8044	2.8859	2.5922	2.3117
Net income paid 30 September	1.5899	1.4588	1.4675	1.1815
Net income paid 31 December	* 2.0623	2.2200	2.4426	2.1360
<u>Class B Accumulation</u>				
Net income paid 31 March	1.1505	1.0791	1.0100	N/A
Net income paid 30 June	3.1007	3.0493	2.6089	N/A
Net income paid 30 September	1.7874	1.5680	1.5019	N/A
Net income paid 31 December	* 2.3404	2.4072	2.5240	N/A
<u>Class P Income</u>				
Net income paid 31 March	1.0540	1.0322	1.0118	0.7835
Net income paid 30 June	2.8253	2.8999	2.5987	2.3118
Net income paid 30 September	1.6026	1.4665	1.4719	1.1820
Net income paid 31 December	* 2.0803	2.2333	2.4516	2.1386
<u>Class P Accumulation</u>				
Net income paid 31 March	1.1580	1.0835	1.0118	N/A
Net income paid 30 June	3.1235	3.0639	2.6153	N/A
Net income paid 30 September	1.8015	1.5761	1.5063	N/A
Net income paid 31 December	* 2.3607	2.4215	2.5331	N/A

*These are based on estimated figures

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FUND MANAGER'S REPORT (CONTINUED)

Material portfolio changes

For the six month period ended 31 October 2018

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Barclays	4,816,880	Royal Mail	2,526,427
Lafargeholcim	2,083,994	Assura Group	2,343,010
Diversified Gas	2,069,495	Photo-Me International	1,423,515
Duke Royalty	1,499,960	Eurocell	1,293,769
Morses Club	1,411,952	John Laing Environmental Assets Group	1,217,635
Phoenix Group Holdings	1,257,010	Land Securities Group	1,083,750
Plus500	1,201,810	XLMedia	1,002,737
Rosenblatt Group	1,201,750	Morgan Sindall Group	665,470
ITV	1,038,018	Regional Reit	464,415
Sureserve Group (formerly Lakehouse)	683,279	Gattaca	236,079
Lloyds Banking Group	309,458	Randall & Quilter Investment Holdings	214,446
Arena Events Group	288,000	City Of London Investment Group	162,194
Mortgage Advice Bureau Holdings	156,737	Lafargeholcim	132,734
		Hansard Global	107,697
Total purchases for the period	18,018,343	Total sales for the period	12,873,878

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FUND INFORMATION

Price and distribution record

Income shares (Class A and B) were first offered at 100p on 19 September 2011. On 31 December 2012 Class P shares became available for purchase. Accumulation shares (Class A, B, and P) became available for purchase on 30 November 2015.

Financial year to	Highest price	Lowest price	Net income per share
<u>Class A Income</u>			
30 April 2015	160.98p	139.04p	6.1924p
30 April 2016	167.58p	144.97p	6.7831p
30 April 2017	164.97p	133.28p	7.6313p
30 April 2018	167.49p	155.71p	7.3093p
30 April 2019**	168.70p	143.76p	3.5325p
<u>Class A Accumulation</u>			
30 April 2016*	164.18p	145.93p	3.5427p
30 April 2017	174.33p	136.43p	7.9544p
30 April 2018	184.11p	172.22p	7.9869p
30 April 2019**	189.71p	163.24p	3.9944p
<u>Class B Income</u>			
30 April 2015	163.76p	141.09p	6.2842p
30 April 2016	170.92p	148.09p	6.9198p
30 April 2017	169.49p	136.41p	7.8240p
30 April 2018	172.71p	160.73p	7.5303p
30 April 2019**	174.24p	148.83p	3.6522p
<u>Class B Accumulation</u>			
30 April 2016*	167.54p	149.04p	3.6189p
30 April 2017	179.08p	139.60p	8.1543p
30 April 2018	189.77p	177.71p	8.2264p
30 April 2019**	195.87p	168.90p	4.1278p
<u>Class P Income</u>			
30 April 2015	163.79p	140.93p	6.3054p
30 April 2016	171.17p	148.41p	6.9311p
30 April 2017	170.35p	136.84p	7.8556p
30 April 2018	173.90p	161.93p	7.5790p
30 April 2019**	175.62p	150.18p	3.6829p
<u>Class P Accumulation</u>			
30 April 2016*	167.83p	149.37p	3.6271p
30 April 2017	179.98p	140.03p	8.1868p
30 April 2018	191.07p	178.80p	8.2790p
30 April 2019**	197.41p	170.42p	4.1622p

* period from 30 November 2015 to 30 April 2016

** six month period to 31 October 2018

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FUND INFORMATION (CONTINUED)

Number of shares in issue/Net asset value per share

	Net asset value of scheme property	Number of shares in Issue	Net assest value per share
<u>Class A Income</u>			
30 April 2015	£7,221,395	4,638,749	155.68p
30 April 2016	£3,547,170	2,356,864	150.50p
30 April 2017	£3,059,341	1,896,446	161.32p
30 April 2018	£3,006,725	1,863,564	161.34p
31 October 2018	£2,369,262	1,642,390	144.26p
<u>Class A Accumulation</u>			
30 April 2016	£426,090	276,583	154.05p
30 April 2017	£542,082	312,526	173.45p
30 April 2018	£742,612	408,545	181.77p
31 October 2018	£681,833	410,595	166.06p
<u>Class B Income</u>			
30 April 2015	£31,540,667	19,912,709	158.39p
30 April 2016	£21,347,230	13,870,211	153.91p
30 April 2017	£20,788,522	12,542,212	165.75p
30 April 2018	£18,494,229	11,111,529	166.44p
31 October 2018	£16,718,919	11,194,304	149.35p
<u>Class B Accumulation</u>			
30 April 2016	£8,425,127	5,348,943	157.51p
30 April 2017	£9,582,463	5,377,991	178.18p
30 April 2018	£9,306,227	4,971,175	187.20p
31 October 2018	£8,246,253	4,798,930	171.84p
<u>Class P Income</u>			
30 April 2015	£25,886,283	16,338,568	158.44p
30 April 2016	£70,971,178	45,986,655	154.33p
30 April 2017	£75,197,292	45,138,421	166.59p
30 April 2018	£91,044,651	54,181,375	168.04p
31 October 2018	£89,789,946	59,576,536	150.71p
<u>Class P Accumulation</u>			
30 April 2016	£8,511,678	5,389,342	157.94p
30 April 2017	£13,131,089	7,332,724	179.08p
30 April 2018	£19,356,484	10,234,085	189.14p
31 October 2018	£18,870,768	10,883,633	173.39p

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FUND INFORMATION (CONTINUED)

Ongoing charges

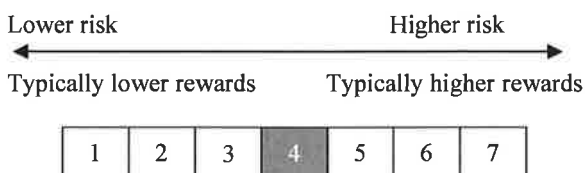
	<u>Class A</u> <u>Income</u>	<u>Class B</u> <u>Income</u>	<u>Class P</u> <u>Income</u>
30 April 2018	1.57%	1.07%	0.79%
31 October 2018	1.55%	1.05%	0.80%

	<u>Class A</u> <u>Accumulation</u>	<u>Class B</u> <u>Accumulation</u>	<u>Class P</u> <u>Accumulation</u>
30 April 2018	1.53%	1.06%	0.79%
31 October 2018	1.55%	1.05%	0.80%

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

- 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.

Synthetic risk and reward indicator



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 4 because it has experienced moderate volatility historically.

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Portfolio statement
as at 31 October 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'18 %	30 Apr'18 %
BANKS				
4,750,000	Lloyds Banking Group	2,717,950	1.99	
2,310,000	Barclays	3,984,750	2.92	
	Total Banks	6,702,700	4.91	1.94
CONSTRUCTION & MATERIALS				
1,250,000	Forterra	2,756,250	2.02	
250,000	Kier Group	2,191,250	1.60	
122,000	Lafargeholcim	4,427,085	3.23	
105,000	Morgan Sindall Group	1,243,200	0.91	
	Total Construction & Materials	10,617,785	7.76	8.88
ENTERTAINMENT				
847,500	Ten Entertainment	1,898,400	1.39	
		1,898,400	1.39	1.48
EQUITY INVESTMENT INSTRUMENTS				
		-	-	0.86
FINANCIAL SERVICES				
750,000	Brewin Dolphin Holdings	2,466,000	1.80	
431,249	City of London Investment Group	1,625,809	1.19	
109,415	Close Brothers Group	1,610,589	1.18	
475,135	Liontrust Asset Management	2,755,783	2.02	
475,000	Mortgage Advice Bureau Holdings	2,745,500	2.01	
836,615	River and Mercantile Group	2,375,987	1.74	
3,409,000	Duke Royalty	1,479,506	1.08	
951,156	Morses Club	1,322,107	0.97	
77,420	Plus500	1,046,718	0.77	
	Total Financial Services	17,427,999	12.76	10.19
GENERAL RETAILERS				
860,000	McColl's Retail Group	1,087,900	0.80	
	Total General Retailers	1,087,900	0.80	1.42

SLATER OEIC
SLATER INCOME FUND

Portfolio statement (continued)
as at 31 October 2018

Holding or nominal value	Bid value £	Percentage of total net assets		
		31 Oct'18 %	30 Apr'18 %	
HOUSEHOLD GOODS & HOME CONSTRUCTION				
310,000	Telford Homes	970,300	0.71	
	Total Household Goods & Home Construction	970,300	0.71	0.98
INDUSTRIAL TRANSPORTATION				
370,000	Ocean Wilsons Holdings	3,848,000	2.82	
	Total Industrial Transportation	3,848,000	2.82	5.80
LEISURE GOODS				
		-	-	1.41
LIFE INSURANCE				
1,263,481	Chesnara	4,327,422	3.17	
433,186	Hansard Global	203,597	0.15	
1,700,000	Legal & General Group	4,273,800	3.13	
762,666	Phoenix Group Holdings	4,591,249	3.35	
	Total Life Insurance	13,396,068	9.80	10.03
MINING				
144,352	Rio Tinto	5,490,428	4.01	
	Total Mining	5,490,428	4.01	4.02
MEDIA				
5,025,000	Centaur Media	1,758,750	1.29	
2,650,000	ITV	3,947,175	2.89	
1,208,016	NAHL Group	1,256,337	0.92	
826,761	XLMedia	711,014	0.52	
730,000	STV Group	2,693,700	1.97	
	Total Media	10,366,976	7.59	8.90
NONLIFE INSURANCE				
550,000	Charles Taylor	1,309,000	0.96	
2,382,733	Randall & Quilter Investment Holdings	4,336,574	3.17	
	Total Nonlife Insurance	5,645,574	4.13	3.61

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement (continued)
as at 31 October 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'18 %	30 Apr'18 %
OIL & GAS PRODUCERS				
515,000	BP	2,921,595	2.14	
6,043,500	Diversified Gas	7,040,678	5.14	
205,000	Royal Dutch Shell 'B'	5,255,174	3.83	
	Total Oil & Gas Producers	15,217,447	11.11	8.07
PHARMACEUTICALS & BIOTECHNOLOGY				
209,550	GlaxoSmithKline	3,166,301	2.32	
	Total Pharmaceuticals & Biotechnology	3,166,301	2.32	2.16
REAL ESTATE INVESTMENT & SERVICES				
385,000	Hostelworld	743,050	0.54	
368,000	Lok'nStore Group	1,501,440	1.10	
724,000	Palace Capital	2,114,080	1.55	
	Total Real Estate Investment & Services	4,358,570	3.19	3.92
REAL ESTATE INVESTMENT TRUSTS				
733,345	Regional REIT	733,345	0.54	
1,109,797	PRS REIT	1,115,346	0.82	
2,500,000	Supermarket Income REIT	2,500,000	1.83	
	Total Real Estate Investment Trusts	4,348,691	3.19	5.88
SOFTWARE & COMPUTER SERVICES				
740,000	Redcentric	606,800	0.44	
758,547	SafeCharge International	1,896,368	1.39	
	Total Software & Computer Services	2,503,168	1.83	2.19
SUPPORT SERVICES				
5,015,001	Sureserve Group (formerly Lakehouse)	1,755,250	1.28	
325,627	Maintel Holdings	1,888,637	1.38	
1,280,000	RPS Group	2,007,040	1.47	
1,265,000	Rosenblatt Group	1,075,250	0.79	
	Total Support Services	6,726,177	4.92	4.96

**SLATER OEIC
SLATER INCOME FUND**

Portfolio statement (continued)
as at 31 October 2018

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'18 %	30 Apr'18 %
TECHNOLOGY HARDWARE & EQUIPMENT				
945,000	Amino Technologies	1,143,450	0.84	
1,500,000	Strix Group	2,232,000	1.63	
	Total Technology Hardware & Equipment	3,375,450	2.47	2.87
TOBACCO				
130,038	Imperial Brands	3,449,258	2.52	
	Total Tobacco	3,449,258	2.52	2.39
TRAVEL & LEISURE				
1,625,000	Hollywood Bowl Group	3,266,250	2.39	
2,770,706	Marston's	2,754,082	2.02	
2,360,000	Arena Events Group	1,463,200	1.07	
	Total Travel & Leisure	7,483,532	5.48	5.28
	Portfolio of investments	128,080,724	93.71	97.24
	Net current assets on capital account	8,596,257	6.29	2.76
	Net assets	136,676,981	100.00	100.00

Portfolio transactions for the six months ended 31 October 2018

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at 12 noon on 31 October 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, and suspended stocks are normally valued at their suspension price. However, where the ACD 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 ACD reflects a fair and reasonable price for that investment.

	£
Total purchases, including transaction charges	18,018,343
Total sales proceeds, net of transaction charges	12,873,878

**SLATER OEIC
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 31 October 2018**

Statement of total return

	31 October 2018		31 October 2017	
	£	£	£	£
Income				
Net capital gains		(15,100,239)		567,857
Revenue	3,255,587		2,843,055	
Expenses	(640,775)		(574,538)	
Net revenue before taxation	<u>2,614,812</u>		<u>2,268,517</u>	
Taxation	<u>19,587</u>		<u>-</u>	
Net revenue after taxation		<u>2,634,399</u>		<u>2,268,517</u>
Total return before distributions		(12,465,840)		2,836,374
Distributions		(3,243,818)		(2,870,944)
Change in net assets attributable to shareholders from investment activities		<u>(15,709,658)</u>		<u>(34,570)</u>

Statement of changes in net assets attributable to shareholders

	31 October 2018		31 October 2017	
	£	£	£	£
Opening net assets attributable to shareholders		*141,950,928		**122,300,789
Amounts receivable on issue of shares	16,715,079		11,497,922	
Amounts payable on cancellation of shares	<u>(6,941,052)</u>		<u>(3,986,971)</u>	
		9,774,027		7,510,951
Change in net assets attributable to shareholders from investment activities (see above)		(15,709,658)		(34,570)
Retained distributions on accumulation shares		661,684		535,093
Closing net assets attributable to shareholders		<u>136,676,981</u>		<u>130,312,263</u>

*As at 30 April 2018

**As At 30 April 2017

**SLATER OEIC
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)
For the six months ended 31 October 2018**

Balance sheet

	31 October 2018		30 April 2018	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		128,080,724		138,037,604
Current Assets				
Debtors	524,818		1,730,768	
Cash and cash equivalents	9,816,128		4,086,458	
Total other assets		<u>10,340,946</u>		<u>5,817,226</u>
Total assets		<u>138,421,670</u>		<u>143,854,830</u>
LIABILITIES				
Creditors				
Distribution payable on income shares	1,502,968		1,893,014	
Other creditors	241,721		10,888	
Total liabilities		<u>1,744,689</u>		<u>1,903,902</u>
Net assets attributable to shareholders		<u>136,676,981</u>		<u>141,950,928</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 30 April 2018 and are described in those annual financial statements.



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Slater Investments Limited (Reg. No.2863882), is registered in England and Wales, and is authorised and regulated in the UK by the Financial Conduct Authority.