



# **Slater Investments Limited**

Slater OEIC

Interim Report

For the six month period ended 31 October 2019

(Unaudited)

**SLATER OEIC  
SLATER INCOME FUND**

**DIRECTORY**

**Registered Office**

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

**Authorised Corporate Director (ACD) and Fund Manager**

Slater Investments Limited\*

Nicholas House,  
3 Laurence Pountney Hill,  
London

EC4R 0EU

Telephone: (0207) 220 9460

Fax: (0207) 220 9469

**Administrator, Registrar and Transfer Agent**

JTC Fund Services (UK) Limited\*

18th Floor  
The Scalpel  
52 Lime Street  
London  
EC3M 7AF

Investor Support: (0203) 893 1001

**Custodian**

RBC Investor Services Trust\*\*

Riverbank House  
2 Swan Lane  
London  
EC4R 3BF

**Depository**

NatWest Trustee and Depository Services Limited\*

250 Bishopsgate  
London  
EC2M 4AA.

**Auditor**

Roffe Swayne  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

\* 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.

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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 (the “Fund”).

**Investment objective**

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.

**Change in Prospectus**

A letter was sent to investors on 1 April 2019, notifying them of changes to the Fund, which became effective on 3 June 2019. These changes include introducing a Dilution Adjustment Policy and removing the Initial Charge.

Up to date key investor information documents, the full Prospectus and accounts for the Fund can be requested by the investor at any time, alternatively they are accessible on our website at [www.slaterinvestments.com](http://www.slaterinvestments.com).

**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.

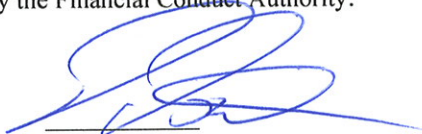
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**AUTHORISED CORPORATE DIRECTOR'S STATEMENT**

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



Ralph Baber  
Director

SLATER INVESTMENTS LIMITED  
20 December 2019

**SLATER OEIC  
SLATER INCOME FUND**

**FUND MANAGER'S REPORT**

**REPORT FOR THE HALF YEAR TO 31 OCTOBER 2019**

<u>Performance</u>	Six months	1 year	3 years	5 years	Since launch*
Slater Income Fund P Inc unit class	-1.43%	+4.44%	+13.24%	+28.38%	+106.35%
Investment Association (IA) OE UK Equity Income	-0.22%	+5.62%	+14.68%	+32.46%	+102.78%

\*A unit class launch 19 September 2011

**Objective**

The investment objective of the Fund is to produce an attractive and increasing level of income whilst additionally seeking long term capital growth by investing predominantly in shares of UK listed equities.

**Fund Performance**

During the half year the Slater Income Fund returned -1.43%, which compared to the IA OE UK Equity Income benchmark return of -0.22%.

**Market commentary**

The markets usually make weaker headway in the six months to 31 October each year. This year followed that pattern. Fears of a slowing domestic economy have hurt sentiment, with the Brexit issue droning away in the background. There has clearly been a weakening in construction with many decisions being delayed. However, it is hard to find cases of full-blown recession when interest rates are low and staying low. Three of our investment received takeover bids, two from overseas investors. This reflected the weakness of sterling which helped the foreign-earning large caps outperform domestically focused companies.

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**

**Safecharge International** accepted an \$889 million cash bid from Nuvei, a private Canadian company. The shares rose +40% in the period and contributed +0.43%. At our last meeting with the company the Chief Executive Officer (CEO) made it clear that he either needed to acquire heavily or be acquired. The payment processing industry is one of scale and staying small is not an option. Safecharge was a very pleasing investment for the Fund.

**Liontrust Asset Management** contributed +0.31%, rising +21%. March 2019 year end results, reported in July 2019, showed profits up +10% and assets under management (AUM) of £14.1 billion, up +11% during the second quarter of 2019. This had risen to £14.6 billion by the end of September 2019. Liontrust also bought Neptune Investment Management for £40 million, which added a further £2.7 billion of AUM, taking the total to £17.4 billion. Fund managers are inevitably highly correlated with the overall market, but we remain very pleased with the company's record of acquiring teams which cover fashionable areas.

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**FUND MANAGER'S REPORT (CONTINUED)**

**REPORT FOR THE HALF YEAR TO 31 OCTOBER 2019**

**Marston's** has been a difficult share for some time but seems to be coming good. It contributed +0.28% after rising +22%. The rise was partly a reaction to the £2.7 billion takeover in August 2019 of Greene King at a 51% premium. The shares had already been recovering based on better trading in the Spring of 2019. This progress was dented a little in October 2019 when it reported weaker food sales set against rising labour costs. A trading statement predicted underlying profit before tax of £101 million for the year to September 2019, and forecast a similar result in the following year. The company's focus is firmly on reducing debt, shedding smaller wet-led pubs. In November 2019 it sold 137 pubs for £45 million, around 15 times earnings. Marston's combined market value and debt is currently around 14 times its taxed operating profits, meaning the disposal was not dilutive.

**Charles Taylor** (+0.23% contribution), the insurance services group, received a private equity backed management buyout bid at 315p. We had been unhappy with the share price performance and engaged with the chairman to find a buyer for the company. The shares rose +35% in the half year to 318.5p. On 8 November 2019 the offer was increased to 345p and this was approved by shareholders. We closed the position at 350p and collected the 3.7p interim dividend. Although this has been a profitable investment we are not overly pleased with this outcome, especially with the Executive Directors so conflicted. The shares have laboured under the extreme complexity of the financial statements, made much worse by the presence of a small life assurance business on the balance sheet. Underlying cashflows have been hard to analyse as a result. We suspect Charles Taylor is about to see an acceleration of growth from its insurance technology business. The take-out multiple was only 13.6 times earnings and the dividend yield 3.6%.

**Randall & Quilter Investment Holdings** (+0.20% contribution) reported continuing half year pre-tax profits of £33.1 million, more than three times the level of the previous year. The shares rose +7%. The Legacy business continues to make excellent progress with five acquisitions and three reinsurances completed in the period. The Program Management Business is growing strongly and there is good visibility of future commission earnings. The company expects \$1 billion of premium income to be put through this business in 2020, with a step change in profitability in due course taking into account a time lag of one to two years between signing up new business and revenue generation. The key issue is whether Randall & Quilter will be able to maintain the 5% commission it charges on cover where it arranges reinsurance. At a meeting with the company we were told that it may start managing reinsurance with backing from pension funds. This would make it easier to protect that attractive margin. Legacy business is more difficult to predict as the size and timing of deals can have a significant impact on profit in any given period. However, the pipeline looks strong with two significant legacy acquisitions completed.

**Major detractors**

**Arena Events Group** delivered a -0.23% contribution and a -52% share price fall. It has had a torrid 2019 after two profit warnings and in the half year to June 2019 reported an operating loss. The company, however, looks like it is on the turn. Management has been upgraded with the appointment of a new boss for its troubled United Kingdom division, and a new group Chief Finance Officer. Trading prospects also appear to be on the up. Post period end, the company secured two multi-million pound contracts for the Riyadh Festival, as well as a contract for the World Heavy Weight Boxing Championships. The company also sees a significant on-going opportunity to grow its presence in Saudi Arabia. Arena offers an above average prospective yield of 7.4% while investors wait.

**RPS Group** fell -27% and contributed -0.26%. Its purchase of an Australian planning consultancy was poorly timed as the business immediately suffered from delays in decision-making by state governments. This led to a warning. The company reported a -40% fall in interim profits but we left our meeting with management feeling more positive. This was borne out by a trading statement in October 2019, which reported a recovery in Australia.

**Centaur Media** detracted by -0.27% after falling -38%. The promised sale of The Lawyer failed to be agreed because bids were too low. Chief Executive Andria Vidler was replaced by CFO Swag Mukerji. Her disposal programme has left the company with an overhead it can no longer support. The new CEO has promised to slash costs but investors are understandably sceptical.

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**FUND MANAGER'S REPORT (CONTINUED)**

**REPORT FOR THE HALF YEAR TO 31 OCTOBER 2019**

**Stalwart Companies**

**Major contributor**

**GlaxoSmithKline** (GSK) contributed +0.20% and rose +12%. It has been successfully rebuilding its development pipeline. Most recently at the end of September 2019, it announced that in a late-stage study, Zejula, which it acquired as part of its \$5.1 billion purchase of Tesaro, was shown to cut the risk of disease progression or death by 38% across the full spectrum of first-line ovarian cancer patients. These results appear to validate the strategic acquisition of Tesaro last December 2018, given that the latest data demonstrates that Zejula is best-in-class with the potential to capture a larger share of the patient population, almost two times that of second line treatments. This latest trial result on the drug development side is timely given that the company is targeting a break-up of the group after it agreed to spin off its consumer healthcare business in a £10 billion joint venture with its United States rival, Pfizer. GSK is planning to demerge and float the consumer health business, splitting the group into two distinct companies: one focused on the consumer and the other on drug development and vaccines. This promises to unlock additional value for shareholders over the next three years or so.

**Major detractors**

**Imperial Brands** fell -31% and detracted by -0.36%. The company reported March 2019 interims showing a 1.1% rise in adjusted earnings per share. This was followed in September 2019 with a warning that sales of its Blu range of vaping products had failed to meet expectations despite a heavy marketing investment. Two weeks later Chief Executive Alison Cooper announced she would be leaving. Blu has trailed far behind Juul in the United States but faces the same gathering regulatory onslaught. Multiple deaths from users of vaping devices are a further concern even though they may result from using non-standard materials. Imperial Brands remains a heavily profitable company but the next CEO seems very likely to rebase the dividend.

**Diversified Gas & Oil** was sold during the period. It contributed -0.40%. Only recently a market favourite, it was attacked for having a policy on well cost abandonment which was too far distant from others in the sector. This is a complicated issue, both in terms of engineering and accounting. The company takes the view that it will probably never have to bear the cost of plugging many of its 6,000 gas wells. As a result, it has used a high discount rate of 8% to reduce the present cost of abandonment and it also assumed very long production lives. By contrast, BP uses a 3% discount rate. It is fair to say that initially we shared Diversified's view on this issue. But as environmental concerns increase, so does the risk that a future United States administration will force companies to transfer hard cash into abandonment funds, much as most businesses now do for pension schemes. It is also increasingly imprudent to use a high discount rate on the plugging costs, as there is less and less guarantee that pumping gas will be a profitable activity seven, eight or nine decades from now.

**Chesnara** fell -29% and contributed -0.51%. It has lagged its peers recently in terms of share price performance. The main message from management is that there has been no change in the business, except an absence of deals which was not due to a lack of targets, as there is still an appetite to offload books, but due to price. The ReAssure acquisition of Quilter and similar transactions in Holland have established very high expectations from sellers as they were at a 20% premium to funds. This is a major contrast to historic discounted rates for deals. We believe that the company is right to be disciplined and not overpay. Meanwhile, the company offers a highly attractive above average prospective yield of 8%.

**Cyclical companies**

**Major contributor**

Cement giant **LafargeHolcim** contributed +0.20% despite its shares falling -3% in Swiss Francs. This was thanks to its dividend, yielding 4% per year, plus the 4% rise of the Franc versus Sterling. We can see signs of construction slowing in various markets, particularly in the United Kingdom, but Lafarge has a global footprint. It has reported mild weakness in Continental Europe but, along with other industrials, the share price has been resilient this year. Ultra-low interest rates usually outweigh near term gloom.



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**FUND MANAGER'S REPORT (CONTINUED)**

**REPORT FOR THE HALF YEAR TO 31 OCTOBER 2019**

**Major detractor**

**Ocean Wilsons Holdings** fell -27% and detracted by -0.39%. This disappointing performance followed the announcement in July 2019 that it had abandoned plans to sell its Brazilian ports business, Wilsons Sons. This decision followed statements by Brazil's new president that he opposed further asset sales to China. This caused potential buyers to pause their interest until there is more clarity. Lower iron ore exports have impacted export volumes from the ports and competition between towage providers remains fierce. The medium-term picture is brighter as the new government's pro-business policies take effect. There will also be more activity in the offshore oil sector, which should reduce the oversupply of towage services.

**Acquisitions and disposals**

During the six months we bought **Prudential**, **Sirius Real Estate** and **Tesco**. We added to **Arrow Global**, **Greencoat UK Wind**, **H&T**, **MJ Gleeson** and **Morses Club**. We sold **Diversified Gas & Oil**, **Mortgage Advice Bureau**, **Safecharge International** (takeover) and **Telford Homes** (takeover). We reduced **Centaur Media**, **Lok'n Store**, **Phoenix Group Holdings** and **Rio Tinto**. Via demerger from **Prudential**, we gained a shareholding in **M&G**.

**Outlook**

The United Kingdom equity income sector has been deeply out of favour since 2016 with valuations under pressure from concerns about Brexit and threat of a Corbyn government. In this environment, small and midcap income stocks have borne the brunt of adverse investor sentiment. Both threats could be resolved by the forthcoming general election in December 2019. An end to this uncertainty will release animal spirits and we would expect our Fund to perform strongly in such circumstances given the attractive level of valuations today.

Slater Investments Limited.  
20 December 2019

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**FUND MANAGER'S REPORT (CONTINUED)**

**Distributions (pence per share)**

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Class A Income</u>				
Net income paid 31 March	1.0786	1.0160	1.0024	0.9911
Net income paid 30 June	2.5820	2.7172	2.8102	2.5361
Net income paid 30 September	1.4723	1.5391	1.4193	1.4346
Net income paid 31 December	*2.0588	1.9933	2.1567	2.3841
<u>Class A Accumulation</u>				
Net income paid 31 March	1.2415	1.1167	1.0524	0.9899
Net income paid 30 June	2.9946	3.0054	2.9697	2.5528
Net income paid 30 September	1.7370	1.7310	1.5258	1.4683
Net income paid 31 December	*2.4536	2.2634	2.3390	2.4640
<u>Class B Income</u>				
Net income paid 31 March	1.1173	1.0470	1.0280	1.0101
Net income paid 30 June	2.6786	2.8044	2.8859	2.5922
Net income paid 30 September	1.5288	1.5899	1.4588	1.4675
Net income paid 31 December	*2.1408	2.0623	2.2200	2.4426
<u>Class B Accumulation</u>				
Net income paid 31 March	1.2854	1.1505	1.0791	1.0100
Net income paid 30 June	3.1051	3.1007	3.0493	2.6089
Net income paid 30 September	1.8027	1.7874	1.5680	1.5019
Net income paid 31 December	*2.5497	2.3404	2.4072	2.5240
<u>Class P Income</u>				
Net income paid 31 March	1.1278	1.0540	1.0322	1.0118
Net income paid 30 June	2.7057	2.8253	2.8999	2.5987
Net income paid 30 September	1.5450	1.6026	1.4665	1.4719
Net income paid 31 December	*2.1651	2.0803	2.2333	2.4516
<u>Class P Accumulation</u>				
Net income paid 31 March	1.2974	1.1580	1.0835	1.0118
Net income paid 30 June	3.1362	3.1235	3.0639	2.6153
Net income paid 30 September	1.8216	1.8015	1.5761	1.5063
Net income paid 31 December	*2.5786	2.3607	2.4215	2.5331

\*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 2019

<b>Major Purchases</b>	<b>Cost (£)</b>	<b>Major Sales</b>	<b>Proceeds (£)</b>
Tesco	2,418,589	Diversified Gas & Oil	6,506,854
Prudential	2,390,557	SafeCharge International	3,459,888
H&T	1,007,838	Rio Tinto	1,883,304
Morses Club	831,845	Mortgage Advice Bureau Holdings	1,447,824
Sirius Real Estate	682,474	Phoenix Group Holdings	1,173,451
Greencoat UK Wind	548,347	Telford Homes	1,085,000
MJ Gleeson	366,901	Centaur Media	429,451
Arrow Global Group	323,230	Lok'nStore Group	276,968
<b>Total purchases for the period</b>	<b>8,569,781</b>	<b>Total sales for the period</b>	<b>16,262,740</b>

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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.

<b>Financial year to</b>	<b>Highest price</b>	<b>Lowest price</b>	<b>Net income per share</b>
<u>Class A Income</u>			
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	135.27p	7.1930p
30 April 2020**	149.91p	136.25p	3.5311p
<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	155.70p	8.2305p
30 April 2020**	176.86p	162.37p	4.1906p
<u>Class B Income</u>			
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	140.14p	7.4481p
30 April 2020**	155.65p	141.63p	3.6696p
<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	161.22p	8.5183p
30 April 2020**	183.54p	168.69p	4.3525p
<u>Class P Income</u>			
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	141.47p	7.5164p
30 April 2020**	157.29p	143.21p	3.7101p
<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	162.73p	8.5958p
30 April 2020**	185.45p	170.57p	4.4002p

\* period from 30 November 2015 to 30 April 2016

\*\* six month period to 31 October 2019

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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 asset value per share
<u>Class A Income</u>			
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
30 April 2019	£2,137,155	1,436,739	148.75p
31 October 2019	£1,747,386	1,219,565	143.28p
<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
30 April 2019	£610,333	347,797	175.49p
31 October 2019	£569,605	333,567	170.76p
<u>Class B Income</u>			
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
30 April 2019	£17,245,266	11,169,417	154.40p
31 October 2019	£13,778,961	9,241,302	149.10p
<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
30 April 2019	£8,680,922	4,768,139	182.06p
31 October 2019	£6,373,414	3,589,266	177.57p
<u>Class P Income</u>			
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
30 April 2019	£90,051,041	57,725,391	156.00p
31 October 2019	£80,260,779	53,205,851	150.85p
<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
30 April 2019	£20,314,958	11,044,853	183.93p
31 October 2019	£19,411,507	10,804,392	179.66p

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**FUND INFORMATION (CONTINUED)**

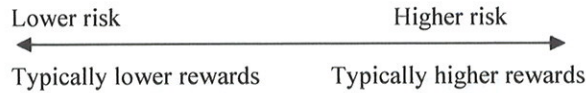
**Ongoing charges**

	<u>Class A</u> <u>Income</u>	<u>Class B</u> <u>Income</u>	<u>Class P</u> <u>Income</u>
30 April 2019	1.58%	1.05%	0.80%
31 October 2019	1.59%	1.07%	0.81%
	<u>Class A</u> <u>Accumulation</u>	<u>Class B</u> <u>Accumulation</u>	<u>Class P</u> <u>Accumulation</u>
30 April 2019	1.56%	1.05%	0.80%
31 October 2019	1.57%	1.09%	0.81%

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 2019

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'19 %	30 Apr'19 %
<b>BANKS</b>				
2,310,000	Barclays	3,876,180	3.17	
4,750,000	Lloyds Banking Group	2,697,525	2.21	
	Total Banks	6,573,705	5.38	4.87
<b>CONSTRUCTION &amp; MATERIALS</b>				
1,250,000	Forterra	3,331,250	2.73	
127,411	Lafargeholcim	4,941,476	4.05	
105,000	Morgan Sindall Group	1,344,000	1.10	
	Total Construction & Materials	9,616,726	7.88	7.24
<b>ENTERTAINMENT</b>				
200,000	Gamesys Group (formerly JPJ)	1,612,000	1.32	
847,500	Ten Entertainment	2,144,175	1.76	
	Total Entertainment	3,756,175	3.08	2.43
<b>EQUITY INVESTMENT INSTRUMENTS</b>				
487,250	Greencoat UK Wind	710,411	0.58	
	Total Equity Investment Instruments	710,411	0.58	0.08
<b>FINANCIAL SERVICES</b>				
477,624	Arrow Global Group	1,135,790	0.93	
750,000	Brewin Dolphin Holdings	2,493,000	2.04	
431,249	City of London Investment Group	1,789,683	1.47	
109,415	Close Brothers Group	1,512,115	1.24	
3,409,000	Duke Royalty	1,486,324	1.22	
419,846	H&T	1,561,827	1.28	
475,135	Liontrust Asset Management	3,858,096	3.16	
170,000	M&G	363,120	0.30	
1,591,156	Morses Club	2,004,857	1.64	
836,615	River and Mercantile Group	2,016,242	1.65	
	Total Financial Services	18,221,054	14.93	12.07
<b>GENERAL RETAILERS</b>				
1,000,000	Tesco	2,352,000	1.93	
		2,352,000	1.93	-

**SLATER OEIC  
SLATER INCOME FUND**

**Portfolio statement (continued)**  
as at 31 October 2019

Holding or nominal value	Bid value £	Percentage of total net assets	
		31 Oct'19 %	30 Apr'19 %
<b>HOUSEHOLD GOODS &amp; HOME CONSTRUCTION</b>			
Total Household Goods & Home Construction	-	-	0.62
<b>INDUSTRIAL TRANSPORTATION</b>			
370,000 Ocean Wilsons Holdings	3,108,000	2.54	
Total Industrial Transportation	3,108,000	2.54	3.06
<b>LIFE INSURANCE</b>			
1,263,481 Chesnara	3,278,733	2.68	
1,700,000 Legal & General Group	4,481,200	3.67	
580,000 Phoenix Group Holdings	4,084,360	3.33	
170,000 Prudential	2,291,600	1.88	
Total Life Insurance	14,135,893	11.56	10.70
<b>MINING</b>			
800,000 Anglo Pacific Group	1,528,000	1.24	
60,000 Rio Tinto	2,408,400	1.96	
Total Mining	3,936,400	3.20	4.69
<b>MEDIA</b>			
3,910,000 Centaur Media	1,251,200	1.02	
2,650,000 ITV	3,543,050	2.90	
730,000 STV Group	2,817,800	2.31	
Total Media	7,612,050	6.23	6.27
<b>NONLIFE INSURANCE</b>			
670,000 Charles Taylor	2,123,900	1.74	
3,711,830 Randall & Quilter Investment Holdings	7,349,423	6.03	
Total Nonlife Insurance	9,473,323	7.77	6.04



**SLATER OEIC  
SLATER INCOME FUND**

**Portfolio statement (continued)**

as at 31 October 2019

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'19 %	30 Apr'19 %
<b>OIL &amp; GAS PRODUCERS</b>				
515,000	BP	2,519,895	2.06	
225,000	Royal Dutch Shell 'B'	4,990,499	4.08	
	Total Oil & Gas Producers	7,510,394	6.14	11.42
<b>PHARMACEUTICALS &amp; BIOTECHNOLOGY</b>				
209,550	GlaxoSmithKline	3,706,101	3.03	
	Total Pharmaceuticals & Biotechnology	3,706,101	3.03	2.37
<b>REAL ESTATE INVESTMENT &amp; SERVICES</b>				
283,000	Lok'nStore Group	1,528,200	1.25	
724,000	Palace Capital	2,034,440	1.67	
74,000	MJ Gleeson	587,560	0.48	
1,050,000	Sirius Real Estate	771,750	0.63	
	Total Real Estate Investment & Services	4,921,950	4.03	2.80
<b>REAL ESTATE INVESTMENT TRUSTS</b>				
733,345	Regional REIT	772,946	0.63	
1,109,797	PRS REIT	976,621	0.80	
2,500,000	Supermarket Income REIT	2,600,000	2.13	
680,000	Real Estate Investors	360,400	0.30	
	Total Real Estate Investment Trusts	4,709,967	3.86	3.44
<b>SOFTWARE &amp; COMPUTER SERVICES</b>				
740,000	Redcentric	614,200	0.50	
	Total Software & Computer Services	614,200	0.50	2.20
<b>SUPPORT SERVICES</b>				
5,015,001	Sureserve Group	1,354,050	1.11	
325,627	Maintel Holdings	1,367,633	1.13	
1,280,000	RPS Group	1,802,240	1.48	
1,265,000	RBG Holdings (formerly Rosenblatt Group)	1,239,700	1.01	
500,000	Ince Group (formerly Gordon Dadds)	600,000	0.49	
	Total Support Services	6,363,623	5.22	5.30

**SLATER OEIC  
SLATER INCOME FUND**

**Portfolio statement (continued)**  
as at 31 October 2019

Holding or nominal value		Bid value £	Percentage of total net assets	
			31 Oct'19 %	30 Apr'19 %
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>				
1,500,000	Strix Group	2,610,000	2.14	
	Total Technology Hardware & Equipment	2,610,000	2.14	1.83
<b>TOBACCO</b>				
130,038	Imperial Brands	2,200,763	1.80	
	Total Tobacco	2,200,763	1.80	2.28
<b>TRAVEL &amp; LEISURE</b>				
1,200,000	Hollywood Bowl Group	2,844,000	2.33	
2,770,706	Marston's	3,416,280	2.80	
2,960,000	Arena Events Group	547,600	0.45	
	Total Travel & Leisure	6,807,880	5.58	4.90
	<b>Portfolio of investments</b>	118,940,615	97.38	94.61
	<b>Net current assets on capital account</b>	3,201,037	2.62	5.39
	<b>Net assets</b>	122,141,652	100.00	100.00

**Portfolio transactions for the six months ended 31 October 2019**

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at 12 noon on 31 October 2019, 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	£ 8,569,781
Total sales proceeds, net of transaction charges	16,262,740

**SLATER OEIC  
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)  
For the six months ended 31 October 2019**

**Statement of total return**

	<b>31 October 2019</b>		<b>31 October 2018</b>	
	£	£	£	£
<b>Income</b>				
Net capital gains		(4,554,380)		(15,100,239)
Revenue	3,170,142		3,255,587	
Expenses	<u>(563,847)</u>		<u>(640,775)</u>	
Net revenue before taxation	2,606,295		2,614,812	
Taxation	<u>-</u>		<u>19,587</u>	
Net revenue after taxation		<u>2,606,295</u>		<u>2,634,399</u>
<b>Total return before distributions</b>		(1,948,085)		(12,465,840)
Distributions		<u>(3,145,063)</u>		<u>(3,243,818)</u>
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(5,093,148)</u>		<u>(15,709,658)</u>

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

	<b>31 October 2019</b>		<b>31 October 2018</b>	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		*139,039,675		**141,950,928
Amounts receivable on issue of shares	2,505,375		16,715,079	
Amounts payable on cancellation of shares	<u>(14,997,951)</u>		<u>(6,941,052)</u>	
Amounts payable on share class conversions	(3,913)		-	
Dilution Adjustment	<u>23,752</u>		<u>-</u>	
		(12,472,737)		9,774,027
Change in net assets attributable to shareholders from investment activities (see above)		(5,093,148)		(15,709,658)
Retained distributions on accumulation shares		<u>667,862</u>		<u>661,684</u>
<b>Closing net assets attributable to shareholders</b>		<u>122,141,652</u>		<u>136,676,981</u>

\*As at 30 April 2019

\*\*As At 30 April 2018

**SLATER OEIC  
SLATER INCOME FUND**

**INTERIM FINANCIAL STATEMENTS (unaudited)  
For the six months ended 31 October 2019**

**Balance sheet**

	<b>31 October 2019</b>		<b>30 April 2019</b>	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		118,940,615		131,540,236
<b>Current Assets</b>				
Debtors	288,062		1,460,087	
Cash and cash equivalents	<u>4,385,520</u>		<u>7,943,203</u>	
Total other assets		<u>4,673,582</u>		<u>9,403,290</u>
Total assets		<u>123,614,197</u>		<u>140,943,526</u>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Distribution payable on income shares	1,374,905		1,898,183	
Other creditors	<u>97,640</u>		<u>5,668</u>	
Total liabilities		<u>1,472,545</u>		<u>1,903,851</u>
<b>Net assets attributable to shareholders</b>				
		<u>122,141,652</u>		<u>139,039,675</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 2019 and are described in those annual financial statements.



**Slater Investments Limited**

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0EU

Investor Relations: (0207) 220 9460

Dealing: (0203) 893 1001

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

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

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.

