

MORAY PLACE INVESTMENT COMPANY

**INTERIM REPORT AND FINANCIAL STATEMENTS
for the six months to 31 March 2023 (unaudited)**

ABOUT YOUR COMPANY

Moray Place Investment Company (MPIC) was formed on 2 May 2012 as an open-ended investment company and started trading on 15 May 2012. It is authorised and regulated by the Financial Conduct Authority in the UK as a non-UCITS retail scheme.

The company is intended to be a long-term investment vehicle for like-minded individuals. It is low-cost, straightforward and free of the conflicts of interest that bedevil the money management industry.

MPIC's objective is to preserve and then grow the purchasing power of its investors' capital. The investment manager believes that it is most meaningful to assess MPIC's progress over a full economic cycle, which is typically five to ten years. Over this time frame useful comparators include UK consumer price inflation, the yield on long-dated gilts, and equity indices.

MPIC expects to achieve its objective primarily through owning shares in established companies listed on stock exchanges around the world. It will not borrow, use derivatives, short-sell securities, or invest in property directly.

The investment approach is uncomplicated, disciplined and patient. The investment manager also believes that it is conservative, if idiosyncratic. MPIC is not designed to appeal to a broad constituency. It is only suitable for investors who can evaluate the merits and risks of such an approach: if you cannot, or it makes you uncomfortable, or it simply does not suit your psychology, you should not invest.

Value of company at 31 March 2023	£144m
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Investment manager	Hollis Capital Limited
Minimum investment	Initial: £200,000 Subsequent: £10,000
Dealing spread	1%
Ongoing charges (<i>annualised</i>)	0.49%
Performance fee	Not applicable
Initial charges	Not applicable
Redemption charges	5% for sales within 2 years of purchase; 2% for sales between 2 and 5 years of purchase <i>Paid to MPIC, not to the ACD or investment manager</i>
Ex-dividend date	30 September
Dividend date	30 November

FINANCIAL SUMMARY

	At and for the period ended				
	31 Mar 2023	30 Sept 2022	30 Sept 2021	30 Sept 2020	30 Sept 2019
Value of company	£144.2m	£128.6m	£121.3m	£93.0m	£92.2m
Shares outstanding					
Accumulation	34.1m	34.8m	33.6m	31.9m	30.4m
Income	13.9m	12.5m	10.5m	9.2m	7.6m
NAV per share (mid price)					
Accumulation	310.7p	279.9p	281.6p	230.4p	246.5p
Income	277.8p	250.4p	255.5p	211.8p	228.4p
Dividend per share					
Accumulation	Nil	4.07p	3.64p	1.82p	3.48p
Income	Nil	3.69p	3.34p	1.69p	3.27p
Effective liquidity	16%	14%	14%	20%	19%
Ongoing charges[†]	0.49%	0.49%	0.45%	0.46%	0.47%
Portfolio turnover	7%	3%	8%	6%	8%

[†]The Investment Association changed its definition of ongoing charges in 2022. The figure now includes the underlying costs of investment trust holdings. By the previous definition the ongoing charges figure for both the period to March 2023 and the year to September 2022 was 0.44%.

Notes

The company started trading on 15 May 2012 when shares were issued at 100p each.

Effective liquidity includes the investment in gold; all the current constituents are shown on page 5.

The ongoing charges ratio is based on the average NAV during the period.

Both the ongoing charges ratio and portfolio turnover are annualised.

LETTER TO SHAREHOLDERS

Dear fellow shareholders

The company exists to protect and then grow the purchasing power of its investors' capital. I believe that over an economic cycle owning businesses is the best way to achieve that goal. MPIC uses stock exchanges as a convenient way to own a variety of businesses.

Richard Feynman was a great physicist and thinker in the last century. He said that the future is unpredictable because life is too complex to understand fully. Yet, we must make choices. To do so, Feynman argued, we need a "philosophy of ignorance". That is an approach to life when we do not, and cannot, know the future.

As with life, so with investment. I have anchored my investing philosophy of ignorance to three traits of businesses. First, owning businesses offers a form of protection against inflation. Inflation decays the purchasing power of monetary assets such as cash, bank deposits and conventional bonds. The decay has been chronic since money lost its tie to gold and became backed only by political promises. However, inflation does not chronically decay the value of real assets such as gold, property and businesses.

Second, the value of businesses tends to grow. This is because most businesses distribute only a part of their profits as dividends to owners. The retained profits are reinvested back into the underlying business, which generates more profits, which in turn beget yet more. This is a practical example of compound interest. Thus, a portfolio of companies has a persistent tendency to compound its underlying business value – regardless of how share prices fluctuate.

Finally, businesses are not inert. They are living organisms – communities of people with a purpose. People do make mistakes. However, they are also adaptable, resilient and ingenious, which is valuable in a world that we do not understand fully.

Protection against inflation, the compound interest effect of reinvested profits, and human ingenuity are wonderful traits of businesses. No other asset combines these features. Yet, owning shares quoted on stock exchanges can be distracting. Fluctuating share prices can lure intelligent people into bad habits. The worst habits include the following.

- *Trading too much.* Trading incurs hidden costs. Also overlooked are the hidden risks. Investors often swap hazards they can see and understand for those they cannot see and do not understand.
- *Owning companies led by narcissists, promoters or publicity-hounds.* This can work, but relationships with good people are more lasting, and less stressful.
- *Chasing trends, fashions, intellectual fads and other mass delusions.* Financial manias are social epidemics spread by dramatic price moves. The allure is quick profits, but beware fast losses. Slower profits in neglected companies are more enduring.
- *Obsessing about an uncertain outlook.* The outlook is always uncertain. What changes is not the uncertainty but investors' complacency.
- *Unrealistic expectations.* The stockmarket is not an easy route to rapid riches. It is a way to invest hard savings for satisfactory, if erratic, returns.

John Templeton was a great investor and thinker in the last century. He had a succinct philosophy of ignorance for the stockmarket. He said, "The best time to invest is when you have money. This is because history suggests that it is not timing which matters, but time."

Peter Hollis

PORTFOLIO AT 31 MARCH 2023

Security	Country	Holding	Value £'000	%	30 Sept 2022
Markel	US	11,500	11,845	8.3%	
Heineken Holding	Netherlands	120,000	8,922	6.2%	
Fairfax Financial	Canada	13,000	7,120	4.9%	
Next	UK	100,000	6,549	4.5%	
Exor	Netherlands	90,000	5,998	4.2%	
Progressive Corp	US	48,000	5,581	3.9%	
JD Wetherspoon	UK	750,000	5,338	3.7%	
Franco-Nevada	Canada	42,000	4,963	3.4%	
BAT	UK	165,000	4,696	3.3%	
Ackermans & van Haaren	Belgium	35,000	4,673	3.2%	
VP	UK	621,141	4,186	2.9%	
Svenska Handelsbanken A	Sweden	550,000	3,854	2.7%	
Moody's	US	15,000	3,706	2.6%	
U-Haul Holding Company Non-Vtg	US	76,500	3,214	2.5%	
U-Haul Holding Company	US	8,500	407		
GBL	Belgium	41,850	2,887	2.0%	
Bunzl	UK	90,000	2,750	1.9%	
Ringkjoebing Landbobank	Denmark	24,000	2,740	1.9%	
Winmark	US	10,000	2,587	1.8%	
Investor B	Sweden	160,000	2,577	1.8%	
Lloyds Banking Group	UK	5,000,000	2,392	1.7%	
Jet2	UK	180,000	2,364	1.6%	
Philip Morris International	US	30,000	2,353	1.6%	
Admiral Group	UK	110,000	2,245	1.6%	
RLI	US	18,000	1,958	1.4%	
Ryanair	Ireland	140,000	1,811	1.3%	
Texas Pacific Land Trust	US	1,200	1,636	1.1%	
Hansa Investment Company A	UK	825,000	1,407		
Hansa Investment Company Ord	UK	125,000	218	1.1%	
Jardine Matheson Holdings	Singapore	30,000	1,179	0.8%	
Atlas Copco B	Sweden	120,000	1,118	0.8%	
Charles Schwab	US	25,000	1,055	0.7%	
Rights & Issues Investment Trust	UK	54,128	1,031	0.7%	
Remgro	South Africa	150,000	920	0.6%	
Northern Trust	US	12,000	854	0.6%	
Greggs	UK	30,000	832	0.6%	
CF-Alba	Spain	20,000	809	0.6%	
State Street	US	12,000	727	0.5%	
Ryman Healthcare	New Zealand	237,277	631	0.4%	
Itausa	Brazil	462,000	605	0.4%	
Eurofins Scientific	Luxembourg	10,000	541	0.4%	
Ocean Wilsons Holdings	UK	30,000	268	0.2%	
Total equities			121,547	84.4%	85.9%

PORTFOLIO AT 31 MARCH 2023

Security	Country	Holding	Value £'000	%	<i>30 Sept 2022</i>
Royal Canadian Mint Gold ETR	Canada	375,000	6,079	4.2%	
Perth Mint Gold ETP	Australia	282,411	4,511	3.1%	
Sprott Physical Gold Trust	US	340,000	4,255	2.9%	
Sprott Physical Gold & Silver Trust	Canada	200,000	3,062	2.1%	
Zurich Cantonal Bank Gold ETF	Switzerland	3,000	1,435	1.0%	
Cash and equivalents	Various		3,643	2.5%	
<i>Total effective liquidity</i>			22,985	15.8%	<i>14.3%</i>
<i>Adjustment to revalue assets from mid to bid</i>			-290	-0.2%	
Total portfolio			144,242	100.0%	

FINANCIAL STATEMENTS

Statement of total return

For the 6 months ended 31 March	£'000	2023 £'000	£'000	2022 £'000
Income				
Net capital gains		13,291		5,305
Revenue	1,193		1,090	
Expenses	(307)		(279)	
Finance costs: interest	<u>(1)</u>		<u>(1)</u>	
Net revenue before taxation	885		810	
Taxation	<u>(87)</u>		<u>(62)</u>	
Net revenue after taxation		<u>798</u>		<u>748</u>
Total return before dividend		14,089		6,053
Finance costs: dividend		<u>-</u>		<u>-</u>
Change in net assets attributable to shareholders from investment activities		<u>14,089</u>		<u>6,053</u>

Statement of changes in net assets attributable to shareholders

For the 6 months ended 31 March	2023 £'000	2022 £'000
Opening net assets attributable to shareholders	128,636	121,366
Amounts receivable on creation of shares	4,770	2,648
Amounts payable on cancellation of shares	(3,253)	-
Change in net assets attributable to shareholders from investment activities (see above)	<u>14,089</u>	<u>6,053</u>
Closing net assets attributable to shareholders	<u>144,242</u>	<u>130,037</u>

FINANCIAL STATEMENTS

Balance sheet

At	31 March 2023		30 Sept 2022	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		140,599		128,374
Debtors	360		602	
Cash and bank balances	<u>3,423</u>		<u>258</u>	
Total other assets		<u>3,783</u>		<u>860</u>
Total assets		144,382		129,234
Liabilities				
Creditors	(140)		(136)	
Dividend payable	<u>-</u>		<u>(462)</u>	
Total liabilities		<u>(140)</u>		<u>(598)</u>
Net assets attributable to shareholders		<u>144,242</u>		<u>128,636</u>

Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014, with amendments in June 2017. The accounting policies applied are consistent with those in the annual financial statements for the period ended 30 September 2022 and are described in those financial statements.

Portfolio purchases and sales

From 1 October 2022 to 31 March 2023 there were purchases of £4,984,503 and sales of £5,918,616.

AUTHORISED CORPORATE DIRECTOR

Authorised Corporate Director's charges

The current annual ACD charge is £24,620, indexed each year on 1 October to the Consumer Price Index, plus the investment management fee. The annual investment management fee is:

- 0.50% of the net asset value of the Company on the first £20 million;
- 0.35% of the net asset value of the Company between £20 million and £150 million; and
- 0.30% of the net asset value of the Company thereafter.

Authorised Corporate Director's report

The rules of the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the Company and of its net revenue and net capital gains for the period. In preparing these financial statements which are unaudited the Authorised Corporate Director is required to:

- comply with the Prospectus and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Authorised Corporate Director's statement

In accordance with the requirements of the FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, we hereby certify the interim report.

David E. Smith CA

David Fraser FCCA

Valu-Trac Investment Management Limited
Authorised Corporate Director

COMPARATIVE TABLES

	Income shares		
	6 months to 31 Mar 2023	12 months to 30 Sept 2022	12 months to 30 Sept 2021
Change in net assets per share			
Opening net asset value per share	250.4p	255.5p	211.8p
Return before operating charges †	28.0p	(0.2p)	48.1p
Operating charges	(0.6p)	(1.2p)	(1.1p)
Return after operating charges	27.4p	(1.4p)	47.0p
Dividend on income shares	Nil	(3.7p)	(3.3p)
Closing net asset value per share	277.8p	250.4p	255.5p
† after direct transaction costs of	0.03p	0.08p	0.09p
Returns			
Total return after charges	11.0%	(0.6%)	22.2%
Other information			
Closing net asset value	£38.5m	£31.3m	£26.8m
Closing number of shares	13.9m	12.5m	10.5m
Annualised operating charges	0.49%	0.49%	0.45%
Direct transaction costs	0.01%	0.03%	0.04%
Share prices			
Highest offer price	284.9p	271.1p	265.8p
Lowest bid price	247.2p	250.4p	209.7p
	Accumulation shares		
	6 months to 31 Mar 2023	12 months to 30 Sept 2022	12 months to 30 Sept 2021
Change in net assets per share			
Opening net asset value per share	279.9p	281.6p	230.4p
Return before operating charges †	31.5p	(0.3p)	52.4p
Operating charges	(0.7p)	(1.4p)	(1.2p)
Return after operating charges	30.8p	(1.7p)	51.2p
Dividend on accumulation shares	Nil	(4.1p)	(3.6p)
Reinvested dividend on accumulation shares	Nil	4.1p	3.6p
Closing net asset value per share	310.7p	279.9p	281.6p
† after direct transaction costs of	0.03p	0.08p	0.09p
Returns			
Total return after charges	11.0%	(0.6%)	22.2%
Other information			
Closing net asset value	£106.0m	£97.5m	£94.7m
Closing number of shares	34.1m	34.8m	33.6m
Annualised operating charges	0.49%	0.49%	0.45%
Direct transaction costs	0.01%	0.03%	0.04%
Share prices			
Highest offer price	318.7p	298.8p	289.2p
Lowest bid price	276.5p	278.1p	228.1p

CORPORATE DIRECTORY

ACD, AIFM and Registrar	<p>Valu-Trac Investment Management Limited Orton Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: mpic@valu-trac.com</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No. 2428648</p>
Director	<p>Valu-Trac Investment Management Limited as ACD</p>
Investment Manager	<p>Hollis Capital Limited 43 Melville Street Edinburgh EH3 7JF</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Depositary	<p>NatWest Trustee and Depositary Services Limited House A, Floor 0 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ</p> <p>Authorised and regulated by the Financial Conduct Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House South Street Elgin IV30 1JE</p>