

MORAY PLACE INVESTMENT COMPANY

**INTERIM REPORT AND FINANCIAL STATEMENTS
for the six months to 31 March 2015 (unaudited)**

ABOUT YOUR COMPANY

Moray Place Investment Company (MPIC) was formed on 2 May 2012 as an open-ended investment company and commenced trading on 15 May 2012. It is regulated and authorised by the Financial Conduct Authority in the UK as a non-UCITS retail scheme. The company is intended to be a low cost, long-term investment vehicle for like-minded private individuals. It is straightforward and free of the conflicts of interest that bedevil the professional money management industry.

MPIC's objective is to preserve and grow (in that order) 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 5-10 years. Over this time frame, useful comparators include UK consumer price inflation, the yield on undated 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 are capable of evaluating 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.

Size of company at 31 March 2015	£35,555,884
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Investment manager	Hollis Capital Limited
Minimum investment	Initial: £100,000 Subsequent: £10,000 ISA: £15,240 from 6 April 2015
Dealing spread	1%
Ongoing charges (annualised)	0.61%
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 2015	30 Sept 2014	30 Sept 2013	30 Sept 2012
Value of company		£35.6m	£28.3m	£22.8m	£15.6m
Shares outstanding	Net acc.	18.9m	3.0m	1.9m	1.1m
	Net inc.	5.3m	2.9m	2.6m	2.2m
	Gross acc.	n/a	14.0m	12.6m	9.9m
	Gross inc.	n/a	2.2m	1.8m	1.8m
NAV per share (mid price)	Net acc.	147.9p	128.4p	121.9p	104.1p
	Net inc.	145.4p	125.9p	120.8p	104.1p
	Gross acc.	n/a	128.4p	121.9p	104.1p
	Gross inc.	n/a	125.9p	120.8p	104.1p
Dividend per share	Net acc.	0p	1.45p	1.04p	0p
	Net inc.	0p	1.45p	1.04p	0p
	Gross acc.	n/a	1.45p	1.04p	0p
	Gross inc.	n/a	1.45p	1.04p	0p
Effective liquidity		25%	26%	29%	31%
Ongoing charges (annualised)		0.61%	0.63%	0.79%	0.87%
Portfolio turnover (annualised)		7%	3%	7%	0%

Notes

1. The company commenced trading on 15 May 2012 when shares were issued at 100p each.
2. On 1 October 2014 gross shares stopped being offered, and all existing gross shares were converted into net shares.
3. Effective liquidity includes the investment in gold; all the current constituents are shown on p.5.
4. The ongoing charges ratio is based on the actual charges and the average NAV during the period.

LETTER TO SHAREHOLDERS

Dear fellow shareholders

The objective of the company is to protect and grow the purchasing power of its investors' capital. I believe that the best means of achieving this is to invest in superior businesses run by good people, bought at reasonable prices, and own them for many years. Above all, this approach emphasises patience and stewardship.

The argument for patience seems clear: few professional investors do better than a simple buy-and-hold strategy, and the proportion declines with time. Yet, while a buy-and-hold strategy is good, I believe that buying and holding a careful selection of superior companies is better. In September 2013 I wrote about the advantages of purposeful inactivity, or patience, and cited the 80-year-old Corporate Leaders Trust, which stands as a testament to the benefit of undisturbed ownership of durable businesses.

Stewardship is a more subtle concept. It is important because of the separation of ownership and management in a public limited company. Even in 1776 Adam Smith noted that the primary disadvantage of joint stock companies was that agents could not be expected to manage other people's money "with the same anxious vigilance" as they do their own. Today, economists refer to this as the principal-agent problem. The principal (owner) appoints an agent (manager) to act on his behalf, but their interests are not necessarily the same. Potential conflicts between owners and managers of companies include: insufficient effort; extravagant investments; policies to make it harder to remove incumbent managers; and self-dealing, such as excessive pay, perks or outright theft.

Stewardship is integral to my corporate analysis because the relationship between the owners and the managers of quoted companies is based on trust. The motivations, aims and objectives of management bear careful scrutiny. In my scrutiny, I heed Andrew Carnegie, who said, "As I get older, I place less emphasis on what people say and more on what they do." Acquisitions are an effective litmus test of motivation because they overwhelmingly benefit management not owners. Management pay, perks and power can grow quickly by acquisition, but many of the costs are borne by the owners. Thus, one of my principal guidelines is to be wary of acquisitive companies. Another is to favour managers who are significant owners themselves, at least compared to their pay.

I seek managers who think like owners. The mentality of the best owner-managers differs from the norm, including an emphasis on enduring relationships, long time horizons, and constant improvement. Often the companies they lead are what Charles Handy called "communities with a purpose", defined and unified by trust and loyalty amongst their customers, employees and owners.

Admiral Group, the UK car insurer, seems to be an example of a community with a purpose. The first page of its annual report states a simple corporate philosophy: if people like what they do, they'll do it better. People do appear to like working at Admiral, which helps employee retention and training as well as customer relationships. Happier customers return to do more business, which consequently makes happier shareholders. Of course, the inspiration for this rare form of stewardship comes from the top: Henry Engelhardt is Admiral's low profile, modestly-paid chief executive – and largest shareholder.

I seek managers like Henry Engelhardt. His stewardship of other people's money is exemplary: non-promotional, with a long range perspective and an emphasis on organic growth by serving the customer. I concentrate on trying to identify leaders with these traits. Occasionally I need the courage to buy shares in their companies when they are least popular. But mostly I simply need the patience to hold them.

Peter Hollis

PORTFOLIO AT 31 MARCH 2015

Security	Country	Holding	Value (£)	%	30 Sept 2014
Markel	US	6,000	3,115,948	8.7%	
Fairfax Financial	Canada	6,000	2,290,605	6.4%	
Investor B	Sweden	70,000	1,868,588	5.3%	
Graham Holdings B	US	2,000	1,403,306	3.9%	
Admiral Group	UK	85,000	1,301,775	3.7%	
Svenska Handelsbanken A	Sweden	39,000	1,179,688	3.3%	
Moody's	US	15,000	1,052,595	3.0%	
Philip Morris International	US	18,000	921,025	2.6%	
Progressive Corp	US	40,000	734,752	2.1%	
Rights & Issues Capital	UK	16,500	715,275	2.0%	
Nestle	Switzerland	14,000	712,173	2.0%	
Wm Morrison Supermarkets	UK	360,000	698,400	2.0%	
Sofina	Belgium	10,000	695,050	2.0%	
WH Soul Pattinson	Australia	85,000	660,027	1.9%	
Loews	US	24,000	658,651	1.8%	
RLI Corp	US	18,000	640,191	1.8%	
Hansa Trust A	UK	75,000	620,625	1.7%	
Atlas Copco B	Sweden	30,000	593,975	1.7%	
GBL	Belgium	10,000	557,746	1.6%	
Crown Holdings	US	13,000	469,537	1.3%	
Chubb Corp	US	6,500	442,209	1.2%	
The Coca-Cola Company	US	16,000	439,424	1.2%	
Royal Dutch Shell B	UK	20,000	422,100	1.2%	
Colruyt	Belgium	14,000	410,920	1.2%	
Alleghany Corp	US	1,100	362,287	1.0%	
Spirax-Sarco	UK	10,592	360,711	1.0%	
Jardine Strategic	Singapore	14,000	330,113	0.9%	
bioMerieux	France	5,000	325,346	0.9%	
J Sainsbury	UK	120,000	311,100	0.9%	
Thor Industries	US	7,000	298,563	0.8%	
Tesco	UK	100,000	242,100	0.7%	
FedEx	US	2,000	223,165	0.6%	
Wells Fargo warrants (28.10.18)	US	16,000	221,947	0.6%	
Imperial Oil	Canada	8,000	215,934	0.6%	
Motor Oil (Hellas)	Greece	43,071	215,189	0.6%	
HAL Trust	Netherlands	2,000	210,915	0.6%	
Soc. Fin. des Caoutchoucs	Luxembourg	8,000	196,549	0.6%	
CF-Alba	Spain	5,000	164,435	0.5%	
Kone B	Finland	5,000	149,324	0.4%	
Coca-Cola HBC	UK	10,000	121,550	0.3%	
Owens-Illinois	US	7,000	109,354	0.3%	
Hornbach Holding prefs.	Germany	1,841	98,302	0.3%	
Total equities			26,761,469	75.2%	74.4%

PORTFOLIO AT 31 MARCH 2015

Security	Country	Holding	Value (£)	%	<i>30 Sept 2014</i>
US 0.125% Inflation-protected Treasury 2016	US	1,500,000	1,080,798	3.1%	
Sweden 0.5% Inflation-linked Treasury 2017	Sweden	8,000,000	668,058	1.9%	
UK 2.5% Index-linked Gilt 2016	UK	200,000	653,720	1.8%	
US 0.625% Inflation-protected Treasury 2021	US	750,000	549,491	1.5%	
US 0.125% Inflation-protected Treasury 2019	US	750,000	512,703	1.4%	
US 0.125% Inflation-protected Treasury 2018	US	700,000	485,866	1.4%	
UK 0.125% Index-linked Gilt 2024	UK	400,000	467,313	1.3%	
UK 1.25% Index-linked Gilt 2017	UK	300,000	427,777	1.2%	
UK 0.125% Index-linked Gilt 2019	UK	300,000	329,644	0.9%	
Royal Canadian Mint Gold ETR	Canada	150,000	1,287,810	3.6%	
Perth Mint Gold ETF	Australia	119,820	952,551	2.7%	
Central Fund of Canada	Canada	75,000	600,261	1.7%	
Central GoldTrust	US	5,000	135,401	0.4%	
Cash and equivalents	Various		699,240	2.0%	
<i>Total effective liquidity</i>			8,850,633	24.9%	<i>25.7%</i>
<i>Adjustment to revalue assets from Mid to Bid</i>			-56,218	-0.1%	
Total portfolio			<u>35,555,884</u>	<u>100%</u>	

FINANCIAL STATEMENTS

Statement of total return

For the 6 months ended 31 March	2015		2014	
	£	£	£	£
Income				
Net capital gains		4,420,632		792,927
Revenue	278,886		212,417	
Expenses	(101,073)		(82,078)	
Currency losses	<u>(19,190)</u>		<u>-</u>	
Net revenues before taxation	158,623		130,339	
Taxation	<u>(25,099)</u>		<u>(19,550)</u>	
Net revenues after taxation		<u>133,524</u>		<u>110,789</u>
Total return before dividends		4,554,156		903,716
Finance costs: dividends		<u>-</u>		<u>-</u>
Change in net assets attributable to shareholders from investment activities		<u>4,554,156</u>		<u>903,716</u>

Statement of changes in net assets attributable to shareholders

For the 6 months ended 31 March	2015		2014	
	£	£	£	£
Opening net assets attributable to shareholders		28,257,521		22,793,043
Amounts receivable on creation of shares		2,744,207		2,699,999
Change in net assets attributable to shareholders from investment activities (see above)		<u>4,554,156</u>		<u>903,716</u>
Closing net assets attributable to shareholders		<u>35,555,884</u>		<u>26,396,758</u>

FINANCIAL STATEMENTS

Balance sheet

At	31 March 2015		30 Sept 2014	
	£	£	£	£
Assets				
Investment assets		34,856,644		27,215,334
Debtors	128,188		340,515	
Cash and bank balances	<u>618,889</u>		<u>1,066,297</u>	
Total other assets		<u>747,077</u>		<u>1,406,812</u>
Total assets		35,603,721		28,622,146
Liabilities				
Creditors	(47,837)		(44,317)	
Dividend payable	<u>-</u>		<u>(320,308)</u>	
Total liabilities		<u>(47,837)</u>		<u>(364,625)</u>
Net assets attributable to shareholders		<u>35,555,884</u>		<u>28,257,521</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 Management Association (IMA) in October 2010. The accounting policies applied are consistent with those in the annual financial statements for the period ended 30 September 2014 and are described in those Financial Statements.

Portfolio purchases and sales

For the period from 1 October 2014 to 31 March 2015 there were purchases of £4,389,102 and sales of £1,168,424.

AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The rules of the Financial Conduct Authority's 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 revenue or expense 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 regulations and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the interim report.

Anne A. Laing

Martin J. Henderson

Valu-Trac Investment Management Limited
Authorised Corporate Director

INFORMATION FOR INVESTORS

Authorised Corporate Director's charges

The annual ACD charges are £20,000, indexed annually to the Consumer Price Index from 1 October 2014, plus the investment management fee. The annual investment management fee is currently equal to:

1. 0.50% of the Net Asset Value of the Company on the first £20 million; and
2. 0.35% of the Net Asset Value of the Company thereafter.

Dividend

All the revenue of the Company will be paid as dividends to shareholders on or before 30 November each year.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by telephone (01343 880344) or by sending an Application Form. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 4.30pm on the 1st and 15th (or the next business day) of each month.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the second business day following the valuation point by reference to which the purchase price is determined. Settlement is due on the date specified on the Contract Note.

Ownership of shares will be recorded by an entry on the Company's Register of Shareholders. Certificates will not be issued. Annual statements will show the number of shares held by the recipient on which the dividend is paid. Individual statements of a shareholder's (or, when shares are jointly held, the first named holder's) shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the trade date. The minimum value of shares that a shareholder may hold is £100,000 at cost. The ACD may at its discretion accept subscriptions lower than the minimum amount.

A redemption charge is payable on any shares redeemed within five years of purchase. The redemption charge is paid to the Company to compensate continuing shareholders; it is not paid to the ACD or the investment manager.

The most recent issue and redemption prices are available from the ACD.

Share price range

	Calendar YTD 2015	Calendar year 2014	Calendar year 2013	15 May 2012 to 31 Dec 2012
	Offer high–Bid low	Offer high–Bid low	Offer high–Bid low	Offer high–Bid low
Net accumulation	146.9–136.6p	137.5–120.9p	127.1–106.5p	107.2–98.9p
Net income	144.4–134.1p	135.0–119.9p	127.1–106.5p	107.2–98.9p
Gross accumulation	n/a	130.9–120.9p	127.1–106.5p	107.2–98.9p
Gross income	n/a	129.8–119.9p	127.1–106.5p	107.2–98.9p

CORPORATE DIRECTORY

**Authorised Corporate
Director & Registrar**

Valu-Trac Investment Management Limited
Orton
Moray
IV32 7QE

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Authorised and regulated by the Financial Conduct Authority
Registered in England No 2428648

Director

Valu-Trac Investment Management Limited as ACD

Investment Manager

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28 Walker Street
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EH3 7HR

Authorised and regulated by the Financial Conduct Authority

Depositary

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Younger Building
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EH12 9RH

Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the Prudential
Regulation Authority

Auditors

Johnston Carmichael LLP
Chartered Accountants
7-11 Melville Street
Edinburgh
EH3 7PE