

MORAY PLACE INVESTMENT COMPANY

**INTERIM REPORT AND FINANCIAL STATEMENTS
for the six months to 31 March 2022 (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 2022	£130m
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>	0.45%
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 2022	30 Sept 2021	30 Sept 2020	30 Sept 2019	30 Sept 2018
Value of company	£130.0m	£121.3m	£93.0m	£92.2m	£81.0m
Shares outstanding					
Accumulation	33.8m	33.6m	31.9m	30.4m	28.5m
Income	11.4m	10.5m	9.2m	7.6m	7.6m
NAV per share (mid price)					
Accumulation	295.5p	281.6p	230.4p	246.5p	228.2p
Income	268.2p	255.5p	211.8p	228.4p	214.4p
Dividend per share					
Accumulation	Nil	3.64p	1.82p	3.48p	3.09p
Income	Nil	3.34p	1.69p	3.27p	2.95p
Effective liquidity	14%	14%	20%	19%	21%
Ongoing charges	0.45%	0.45%	0.46%	0.47%	0.49%
Portfolio turnover	5%	8%	6%	8%	7%

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 actual charges and 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. Over an economic cycle, I believe that this goal is most likely to be achieved by owning superior businesses. The cheapest and simplest means of owning a variety of superior businesses is through stock exchanges.

The problem with stock exchanges is that owners can be distracted by price fluctuations and news headlines. Current headlines are indeed distracting. There is war in Europe. The developed world is facing a cost-of-living crisis. The less developed world is facing a food crisis. And our planet may be facing an environmental crisis.

It is unclear how I should react as the investment manager of MPIC. The world changes. Things that have never happened before happen all the time. For investors, there are no perfect models, immutable laws or absolute values to dictate action. Instead, I am guided by a few enduring beliefs.

- *Bad headlines obscure good news*
Setbacks in life, commerce and investing are inevitable. Bad news dominates the headlines. Often, it has a short shelf-life on which it is futile to act. Always, it diverts attention from the important fact with a long shelf-life: the persistent gains in human wellbeing worldwide. It seems that bad news is too dramatic to ignore, while good news is too persistent to notice.
- *Long-term optimism on the spirit of enterprise*
The persistent gains in wellbeing are due to man's ability to think, learn and trade ideas. Every day, free people try to solve problems and improve their families' living standards. This is the spirit of enterprise – the source of all durable wealth. Businesses earn profits as the reward for solving their customers' problems.
- *Dramatic share price declines are inevitable*
All publicly listed businesses suffer share price collapses at unpredictable intervals, for unpredictable reasons. Widespread declines of over 30% occur in most decades.
- *Long-term pessimism on paper money*
Inflation is the erosion in the purchasing power of money. It is a political phenomenon – a delayed symptom of an underlying problem, not the problem itself. The problem is policymakers who avoid making unpopular decisions. Desperate governments have tried printing money and suppressing interest rates throughout history. It is always popular – at first. Milton Friedman observed that inflation is like alcoholism. The good effects come first, the bad effects later. For the cure, it is the other way around: the bad effects come first, the good effects later. That is why addicts find it so hard to persist with the cure. It is simple, but not easy.

MPIC cannot avoid the inevitable setbacks in life, commerce and investing. However, it is designed to survive nasty surprises, bad luck and my mistakes. As the investment manager, I hope to limit fellow shareholders' stress by following a simple approach, guided by a few enduring beliefs.

Investment success over decades is rarely determined by brilliance. More often, it is determined by discipline and patience, combined with a profound respect for what one does not, and cannot, know. I am reminded of Friedrich Hayek, the philosopher and economist. He wrote, "The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." As with economics, so with investing.

Peter Hollis

PORTFOLIO AT 31 MARCH 2022

Security	Country	Holding	Value £'000	%	30 Sept 2021
Markel	US	11,500	13,035	10.0%	
Fairfax Financial	Canada	13,000	5,388	4.1%	
VP	UK	621,141	5,280	4.1%	
BAT	UK	165,000	5,279	4.1%	
Franco-Nevada	Canada	42,000	5,182	4.0%	
Exor	Italy	85,000	5,006	3.8%	
Next	UK	80,000	4,829	3.7%	
Ackermans & van Haaren	Belgium	32,000	4,587	3.5%	
Progressive Corp	US	48,000	4,273	3.3%	
Moody's	US	15,000	3,921	3.0%	
AMERCO	US	8,500	3,893	3.0%	
Swedish Match	Sweden	650,000	3,764	2.9%	
Svenska Handelsbanken A	Sweden	500,000	3,534	2.7%	
GBL	Belgium	41,850	3,338	2.6%	
JD Wetherspoon	UK	380,000	2,964	2.3%	
Admiral Group	UK	110,000	2,843	2.2%	
Investor B	Sweden	160,000	2,687	2.1%	
Bunzl	UK	90,000	2,676	2.1%	
Lloyds Banking Group	UK	5,000,000	2,360	1.8%	
Philip Morris International	US	30,000	2,150	1.7%	
Ringkjoebing Landbobank	Denmark	20,000	1,955	1.5%	
Hansa Investment Company A	UK	825,000	1,592	1.4%	
Hansa Investment Company Ord	UK	125,000	248	1.4%	
Rights & Issues Investment Trust	UK	66,000	1,696	1.3%	
Jet2	UK	140,000	1,611	1.2%	
Ryanair	Ireland	140,000	1,608	1.2%	
RLI Corp	US	18,000	1,533	1.2%	
Texas Pacific Land Corp	US	1,200	1,306	1.0%	
Jardine Matheson Holdings	Singapore	30,000	1,259	1.0%	
Heineken Holding	Netherlands	20,000	1,208	0.9%	
Remgro	South Africa	150,000	1,168	0.9%	
Northern Trust	US	12,000	1,090	0.8%	
Atlas Copco B	Sweden	30,000	1,049	0.8%	
Charles Schwab	US	15,000	996	0.8%	
CF-Alba	Spain	20,000	900	0.7%	
Ryman Healthcare	New Zealand	175,000	869	0.7%	
Winmark	US	5,000	866	0.7%	
State Street	US	12,000	820	0.6%	
Greggs	UK	30,000	737	0.6%	
Itausa	Brazil	420,000	726	0.6%	
Motor Oil (Hellas)	Greece	43,071	514	0.4%	
Strategic Education	US	7,000	362	0.3%	
Ocean Wilsons Holdings	UK	30,000	302	0.2%	
Industrivarden A	Sweden	7,692	168	0.1%	
Total equities			111,572	85.9%	86.1%

PORTFOLIO AT 31 MARCH 2022

Security	Country	Holding	Value £'000	%	<i>30 Sept 2021</i>
Royal Canadian Mint Gold ETR	Canada	375,000	5,671	4.4%	
Perth Mint Gold ETP	Australia	282,411	4,141	3.2%	
Sprott Physical Gold Trust	US	340,000	3,982	3.1%	
Sprott Physical Gold & Silver Trust	Canada	200,000	2,959	2.3%	
Zurich Cantonal Bank Gold ETF	Switzerland	3,000	1,334	1.0%	
Cash and equivalents	Various		642	0.5%	
<i>Total effective liquidity</i>			<i>18,729</i>	<i>14.4%</i>	<i>14.1%</i>
<i>Adjustment to revalue assets from Mid to Bid</i>			-264	-0.3%	
Total portfolio			<u>130,037</u>	<u>100.0%</u>	

FINANCIAL STATEMENTS

Statement of total return

For the 6 months ended 31 March	2022	2021
	£'000	£'000
Income		
Net capital gains	5,305	13,967
Revenue	1,090	969
Expenses	(279)	(242)
Finance costs: interest	<u>(1)</u>	<u>(4)</u>
Net revenue before taxation	810	723
Taxation	<u>(62)</u>	<u>(73)</u>
Net revenue after taxation	<u>748</u>	<u>650</u>
Total return before dividend	6,053	14,617
Finance costs: dividend	<u>-</u>	<u>-</u>
Change in net assets attributable to shareholders from investment activities	<u>6,053</u>	<u>14,617</u>

Statement of changes in net assets attributable to shareholders

For the 6 months ended 31 March	2022	2021
	£'000	£'000
Opening net assets attributable to shareholders	121,336	92,956
Amounts receivable on creation of shares	2,648	5,831
Amounts payable on cancellation of shares	-	(20)
Change in net assets attributable to shareholders from investment activities (see above)	<u>6,053</u>	<u>14,617</u>
Closing net assets attributable to shareholders	<u>130,037</u>	<u>113,384</u>

FINANCIAL STATEMENTS

Balance sheet

At	31 March 2022		30 Sept 2021	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		129,395		120,175
Debtors	315		447	
Cash and bank balances	<u>449</u>		<u>1,188</u>	
Total other assets		<u>764</u>		<u>1,635</u>
Total assets		130,159		121,810
Liabilities				
Creditors	(122)		(123)	
Dividend payable	<u>-</u>		<u>(351)</u>	
Total liabilities		<u>(122)</u>		<u>(474)</u>
Net assets attributable to shareholders		<u>130,037</u>		<u>121,336</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. The accounting policies applied are consistent with those in the annual financial statements for the period ended 30 September 2021 and are described in those financial statements.

Portfolio purchases and sales

From 1 October 2021 to 31 March 2022 there were purchases of £6,893,187 and sales of £2,959,442.

AUTHORISED CORPORATE DIRECTOR

Authorised Corporate Director's charges

The current annual ACD charges are £22,362, 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.

Anne A. Laing CA

David Fraser FCCA

Valu-Trac Investment Management Limited
Authorised Corporate Director

COMPARATIVE TABLES

	Income shares		
	6 months to 31 Mar 2022	12 months to 30 Sept 2021	12 months to 30 Sept 2020
Change in net assets per share			
Opening net asset value per share	255.5p	211.8p	228.4p
Return before operating charges †	13.3p	48.1p	(13.9p)
Operating charges	(0.6p)	(1.1p)	(1.0p)
Return after operating charges	12.7p	47.0p	(14.9p)
Dividend on income shares	Nil	(3.3p)	(1.7p)
Closing net asset value per share	268.2p	255.5p	211.8p
† after direct transaction costs of	0.08p	0.09p	0.07p
Returns			
Total return after charges	5.0%	22.2%	(6.5%)
Other information			
Closing net asset value	£30.4m	£26.8m	£19.6m
Closing number of shares	11.4m	10.5m	9.2m
Annualised operating charges	0.45%	0.45%	0.46%
Direct transaction costs	0.03%	0.04%	0.03%
Share prices			
Highest offer price	269.5p	265.8p	243.3p
Lowest bid price	252.3p	209.7p	186.5p
Accumulation shares			
	6 months to 31 Mar 2022	12 months to 30 Sept 2021	12 months to 30 Sept 2020
Change in net assets per share			
Opening net asset value per share	281.6p	230.4p	246.5p
Return before operating charges †	14.5p	52.4p	(15.0p)
Operating charges	(0.6p)	(1.2p)	(1.1p)
Return after operating charges	13.9p	51.2p	(16.1p)
Dividend on accumulation shares	Nil	(3.6p)	(1.8p)
Reinvested dividend on accumulation shares	Nil	3.6p	1.8p
Closing net asset value per share	295.5p	281.6p	230.4p
† after direct transaction costs of	0.08p	0.09p	0.07p
Returns			
Total return after charges	5.0%	22.2%	(6.5%)
Other information			
Closing net asset value	£99.9m	£94.7m	£73.6m
Closing number of shares	33.8m	33.6m	31.9m
Annualised operating charges	0.45%	0.45%	0.46%
Direct transaction costs	0.03%	0.04%	0.03%
Share prices			
Highest offer price	297.0p	289.2p	262.6p
Lowest bid price	278.1p	228.1p	201.3p

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>