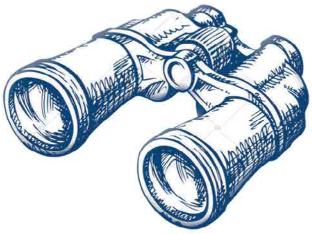
ARTEMIS
The PROFIT Hunter



Mid Wynd International Investment Trust *PLC*

Annual Financial Report

for the year ended 30 June 2021

Company Overview

Our purpose is to increase the real wealth and prosperity of our shareholders, thus helping them meet their long-term savings needs.

Through our investment company structure, we enable shareholders, large or small, to invest in an actively-managed diversified portfolio of securities in a cost-effective way, giving them access to the growth opportunities offered by world markets. Although the Company aims to provide dividend growth over time, its primary aim is to maximise total returns to shareholders.

The investment manager's approach is to identify reliable commercial trends around the world which are likely to deliver superior growth for our investors. The aim is to run a diversified portfolio of 55-75 holdings spread across 8-10 different themes such as automation or healthcare. Where appropriate, the Company will use gearing with a view to enhancing shareholder returns.

The Company invests in sectors which are believed to have sustainable longer term growth characteristics. The Artemis approach to fundamental analysis has always integrated considerations around governance, environmental impact and social responsibility. Sometimes these factors raise quantifiable issues, such as environmental liability, while other aspects such as governance at a company or political level require judgement and affect sizing holdings rather than a decision whether to hold a stock. This leads to certain sectors being excluded where poor sustainability standards are endemic: for example, currently Mid Wynd will not invest in the oil sector, gambling, weapons production or tobacco.

Contents

Financial Highlights

Returns for the year ended 30 June 2021

	Year ended 30 June 2021	Year ended 30 June 2020
Total returns		
Net asset value per share†	**24.3%**	12.2%
Share price†	**27.3%**	9.1%
MSCI All Country World Index (GBP)	**24.6%**	5.2%
Revenue and dividends		
Revenue earnings per share	**6.81p**	7.38p
Dividend per share*	**6.40p**	6.12p
Ongoing charges†	**0.6%**	0.7%

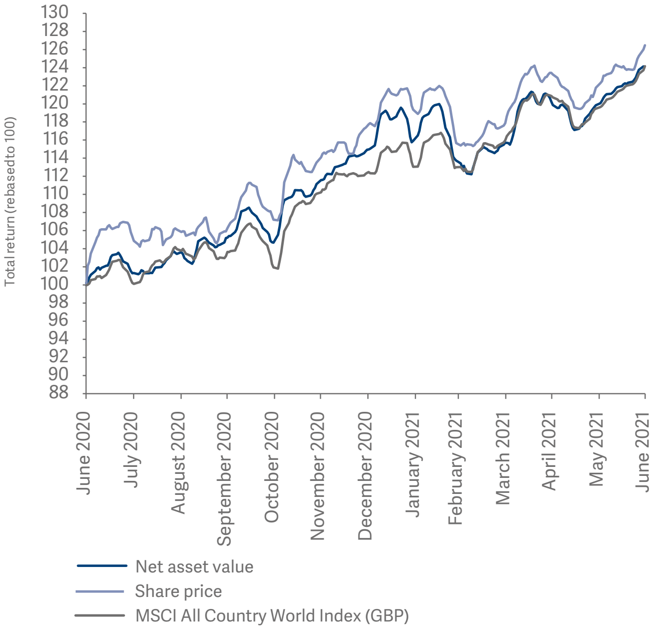
	As at 30 June 2021	As at 30 June 2020
Capital		
Net asset value per share	**754.43p**	612.61p
Share price	**772.00p**	612.00p
Net cash†	**(1.5%)**	(1.7%)
Premium/(discount)	**2.3%**	(0.1%)

Source: Artemis/Datastream.

* The final dividend for the year to 30 June 2021 of 3.30 pence per share will, if approved by shareholders, be paid on 26 November 2021 to shareholders on the register at the close of business on 1 October 2021.

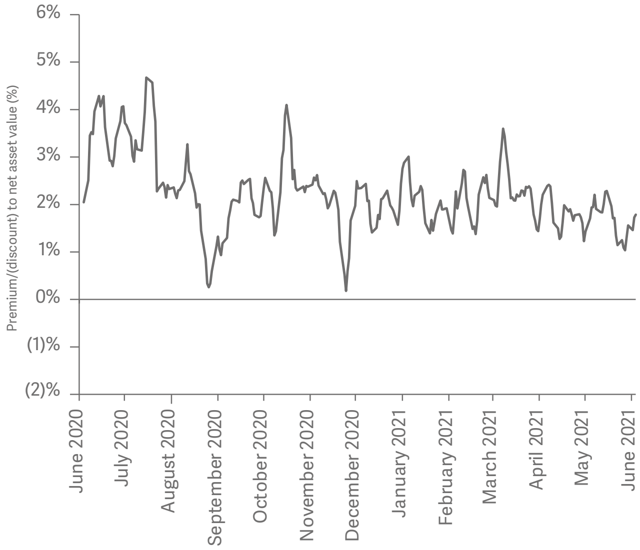
† Alternative Performance Measure (see page 62).

Performance for the year ended 30 June 2021



Source: Datastream/Morningstar.
All figures based on a weekly rolling average.

Premium/(discount) during the year ended 30 June 2021



Source: Datastream/Morningstar.
All figures based on a weekly rolling average.

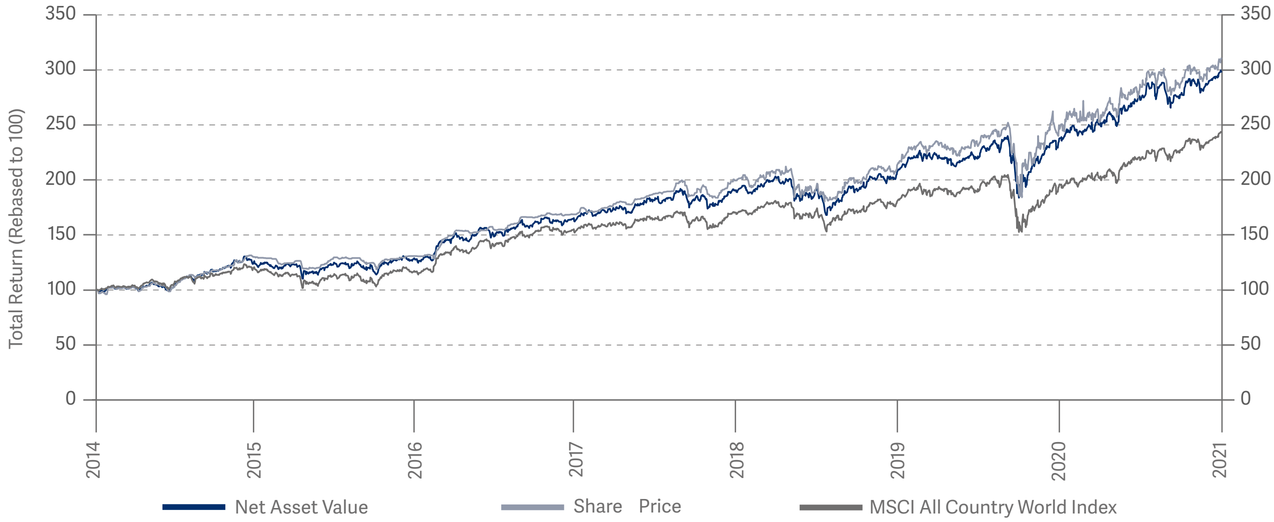
Total returns to 30 June 2021	**3 years**	**5 years**	**Since 1 May 2014****	**10 years**
Net asset value per share†	58.2%	115.7%	199.5%	239.0%
Share price†	60.2%	131.7%	210.1%	243.2%
MSCI All Country World Index (GBP)	43.7%	91.4%	143.9%	198.7%

Source: Artemis/Datastream/Morningstar.

** The date when Artemis was appointed as Investment Manager.

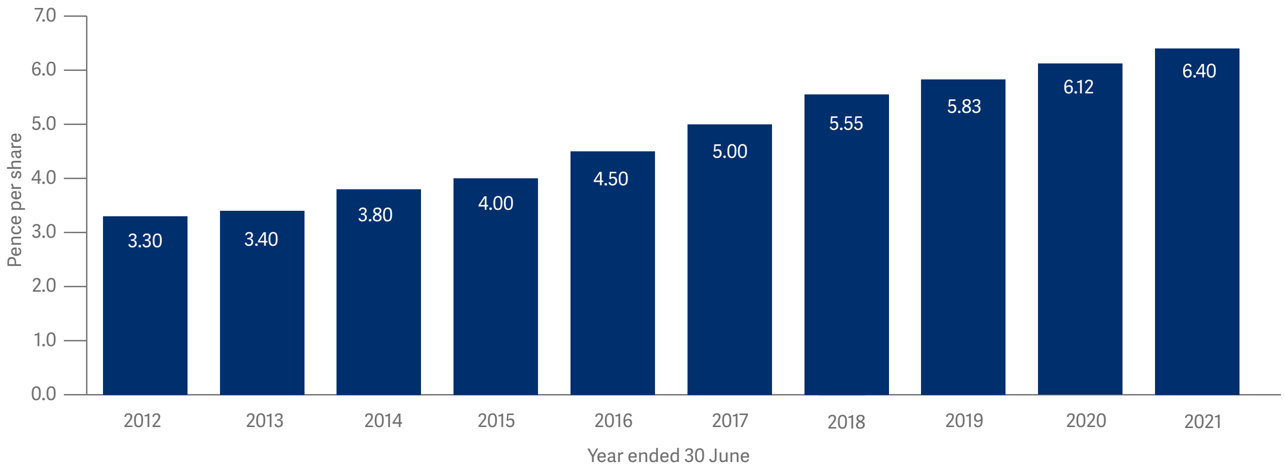
† Alternative Performance Measure (see page 62).

Performance since Artemis was appointed Investment Manager



Source: Datastream/Morningstar.

Dividends paid/payable to shareholders



Ten year summary

At 30 June	Total net assets (£'000)[1]	Borrowings (£'000)	Share-holders' funds (£'000)	Net asset value per share (at fair value) (p)	Share price (p)	Premium/ (discount) (%)	Dividend per share (p)[2]	Ongoing charges (%)[†]	Net cash/ (gearing) (%)[†]
2012	66,763	(4,927)	61,836	229.80	230.75	0.4	3.30	0.9	6.0
2013	71,858	(5,071)	66,787	253.10	256.63	1.4	3.40	0.9	5.8
2014	67,744	(4,902)	62,842	279.17	274.50	(1.7)	3.80	0.8	5.8
2015	85,463	(4,622)	80,841	322.87	329.75	2.1	4.00	0.8	–
2016	113,064	(5,438)	107,626	369.70	352.00	(4.8)	4.50	0.7	0.9
2017	146,907	(3,849)	143,058	439.75	441.00	0.3	5.00	0.7	0.3
2018	187,979	(4,442)	183,537	493.23	498.00	1.0	5.55	0.7	2.7
2019	231,126	(5,042)	226,084	553.16	568.00	2.7	5.83	0.7	0.2
2020	317,444	(9,401)	308,043	612.61	612.00	(0.1)	6.12	0.7	1.7
2021	**462,042**	**(9,949)**	**452,093**	**754.43**	**772.00**	**2.3**	**6.40**	**0.6**	**1.5**

Source: Artemis.

[1] Total net assets comprise net assets before deduction of bank loans.

[2] The 2021 dividend includes the proposed final dividend of 3.30 pence per share which is subject to shareholder approval at the Annual General Meeting.

[†] Alternative Performance Measure (see page 62).

Cumulative ten year performance summary (from 30 June 2011)

At 30 June	Dividend growth	Net asset value per share (at fair value) total return[1†]	Share price total return[1†]	MSCI All Country World Index (GBP) total return[1]
2012	0.0%	-7.3%	-7.9%	-4.3%
2013	3.0%	3.5%	3.8%	15.4%
2014	15.2%	15.6%	12.5%	25.8%
2015	21.2%	35.4%	37.0%	37.8%
2016	36.4%	57.1%	48.1%	56.1%
2017	51.5%	90.2%	88.9%	90.8%
2018	68.2%	114.3%	114.2%	107.8%
2019	76.7%	143.1%	147.0%	128.0%
2020	85.5%	172.8%	169.6%	139.8%
2021	**93.9%**	**239.0%**	**243.2%**	**198.7%**

[1] Source: Artemis/Datastream/Morningstar.

[†] Alternative Performance Measure (see page 62).

Strategic Report

Chairman's Statement

I am pleased to report yet another strong year of performance for our Company, which is particularly pleasing in my first Annual Report Chairman's statement. Last year our then Chairman, Malcolm Scott, in his last statement to shareholders, remarked that he was confident that the Company would continue 'to provide the capital and income returns that our shareholders have come to expect'. His confidence was well-placed in relation to how our Company has performed in the past twelve months despite the uncertainty associated with the global health emergency. That Mid Wynd has been so well-placed to deal with the massive uncertainty over the past two years is due, in no small part, to Malcolm's long and dedicated contribution as a director and then Chairman of our Company. From his appointment to the board in February 1990 to his retirement at our last AGM the share price of Mid Wynd rose more than twenty two-fold compared to a rise of just less than ten-fold for the MSCI All World Index. Due to the restrictions of the health emergency we were unable to mark Malcolm's contribution to the success of Mid Wynd at our AGM in 2020. We cannot yet say what might be possible at this year's AGM but if the rules permit we will mark Malcolm's contribution to Mid Wynd at our annual meeting of members in Edinburgh in November.

Performance

For the year ended 30 June 2021 the Company's share price rose by 27.3% on a total return basis with dividends assumed to be re-invested. This compares with a rise of 24.6% in the Company's comparator index, the MSCI All Country World Index (GBP).

The Company's net asset value per share increased by 23.2%, in capital terms, and on a total return basis, with dividends assumed to be reinvested, the return was 24.3%. Since Artemis' appointment as Investment Manager on 1 May 2014, the net asset value per share has increased by 199.5%, on a total return basis, against the benchmark's increase of 143.9%.

Further details of the performance of the Company during the year are included in the Investment Manager's review.

Earnings and dividend

The total return for the year ended 30 June 2021 was a gain of 145.44 pence per share, comprising a revenue gain of 6.81 pence and a capital gain of 138.63 pence. The Board is proposing a final dividend of 3.30 pence per share which, subject to approval by shareholders at the Annual General Meeting ('AGM'), will be paid on 26 November 2021 to those shareholders on the register at the close of business on 1 October 2021. An interim dividend of 3.10 pence per share was paid in March 2021, an increase of 3.3% on March 2020.

The total dividend for the current year of 6.40 pence per share represents an increase of 4.6% on the 6.12 pence per share paid for the year ended 30 June 2020. The dividend is fully covered by the revenue return for the year. The aim remains to grow dividends progressively subject to the level of revenue reserves available.

Share capital

Demand for the Company's shares continued throughout the year with 9,641,000 new shares issued, bringing £66m of value before issue costs into the balance sheet. In any market, selling something for one pound and two pence, that is valued at one pound, creates a net benefit to the seller. Existing Mid Wynd shareholders benefit as the Company only issues shares at a price in excess of their net asset value and any issue costs. During the year, the estimated net premium on share issues – value created for shareholders – was £1.3m. Despite market volatility, the Company traded strongly throughout the period and ended the year at a share price premium to net asset value of 2.3%; the average premium during the year was also 2.3%. The Company's policy, within normal market conditions, is to issue and re-purchase shares where necessary to maintain the share price within a 2% band relative to the net asset value. Our Company is one of the few investment trusts that has seen such strong demand for its shares and is thus in the fortunate position of being able to issue shares to the benefit of existing shareholders. An added benefit of share issuance is that the larger capital base and associated larger income follow such issuance while some of the costs of running the Company are fairly fixed in their nature. Shareholders will note that the Company's ongoing charges ratio fell from 0.7% to 0.6% during the year and this is mainly the result of the larger capital base. The Board monitors the expansion in the size of our assets to ensure that they are not so large as to interfere with the ability of the Manager to adopt an optimum investment strategy. The Board is confident that the growth in the size of the Company does not restrict the flexibility in managing our capital and that the issuance of shares remains a net positive for all our members.

Shares were issued during the year under the prospectus published by the Company in June 2020 and authorities granted to the Directors at last year's AGM. The prospectus expired in June 2021 and the existing authorities will expire at the forthcoming AGM. For this reason, at the forthcoming AGM, shareholders will be asked to grant the Company new authorities to issue up to a further 15% of its issued share capital as at the latest practicable date before publication of this Annual Financial Report on a non-pre-emptive basis. Similarly, a new authority to buy back shares will also be put to the meeting. These resolutions are to enable the Board to continue to implement its discount and premium management policy.

Borrowings

As noted last year, the Company's three year credit facility with Scotiabank (Ireland) ended in February. Following a review of the Company's requirements it was decided to renew the credit facility with their UK branch, Bank of Nova Scotia for a further three years, increasing the facility from US$30 million to US$60 million; a reflection of the growth of the Company over the last three years and the wish to remain flexible. At 30 June 2021 the Company had drawn €4m (2020: €5m) and US$9m (2020: US$6m). The Company pays a small fee for the right to access these additional funds when the Investment Manager and the Board consider it is optimum to do so. When the credit is drawn down and used for investment, only then is interest expense incurred. Further information on the Company's gearing can be found on page 14.

Operations

During the year there were further lockdowns and the Company's third party service providers continued to face unprecedented challenges to ensure continuity of operations. It is a testament to the business continuity plans of our advisers and suppliers that there has been and continues to be no noticeable impact to the services received by the Company. Nevertheless, the Board continues to monitor the situation and request feedback on any changes to work practices in the wake of the Covid-19 pandemic.

Board Succession

It is hard to believe that nine years have already passed since Harry Morgan joined the Board of Mid Wynd. In the process of our succession planning in this financial year Harry let the Board know that he will be stepping down from the Board at our AGM in November 2022. Action will be taken to find a replacement as we approach Harry's departure from the Board in November 2022.

Sustainability and Environmental, Social and Governance ("ESG") issues

The Board and Investment Manager have discussed in great depth the approach to ESG and how it has always been, and continues to be, built in to each investment decision. Details can be found within the Strategy & Business Review and on the Artemis website. The Board has also supported the Association of Investment Companies' ("AIC's") initiative to provide a database of investment trust companies' approach to ESG investing and stewardship. Our statement can be found on our Company's page on the AIC website at theaic.co.uk.

AGM

The AGM will be held on 9 November 2021 at 12.00 noon at the Edinburgh office of our Investment Manager, Artemis Fund Managers Limited, at 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh, EH3 9BY.

We very much hope to be able to welcome shareholders in person this year. We are proposing to hold a physical meeting but ask that shareholders wishing to attend the AGM in person should register their intention as soon as practicable with the Company Secretary by emailing midwyndchairman@artemisfunds.com. Attendance in person will only be permitted if you have registered in advance by e-mail and provided contact details. We also encourage those shareholders not attending to e-mail any questions in advance. Attendance at the physical meeting may still be restricted, depending on the UK Government guidelines in place at the time. If we are unable to accommodate shareholders we will make an RNS to this effect and contact those shareholders who had noted they wished to attend.

As always, I would encourage you to make use of your proxy votes by completing and returning the form of proxy enclosed with this report.

Outlook

The total level of debt in the world, relative to the size of the global economy, has probably now exceeded the level at the end of World War Two. While debt in the government sector is not generally as high as it was in 1945, debts in the household and corporate sectors are many times higher than they were when that war ended. The result is almost certainly that the world is now living with the highest level of debt, relative to Gross Domestic Product (GDP), that it has ever lived with. We do not have very good long-run data for global government, household and corporate debt combined but we do know that from 2001 to 2020 it has risen from 190% of GDP to 290% of GDP and it has almost certainly continued to rise rapidly in 2021. This crippling debt burden is already triggering extreme reactions from both central banks and governments trying to assure the ability of both the public and private sectors to successfully service such excessive debt. Such extreme reactions will likely persist for many years and very likely for more than a decade given how long it will take to reduce debt burdens to less dangerous levels. We should expect the need to reduce this debt burden to be the key underlying trend impacting interest rates, inflation, economic growth, government policy and corporate profits for perhaps a generation – as it was in the period from 1945 to the early 1980s. For the long-term investor there can be some confidence that we know where we are going. It is a very different destination from that which investors set out towards forty years ago. Debt-to-GDP levels had been reduced to very low levels due to high levels of post war inflation which reached punishing levels in the 1970s. We are thus not just living through the usual business cycle but through a major structural change. This structural change brings new challenges to investors.

Some shareholders will no doubt be familiar with the novel written by John Buchan, latterly Lord Tweedsmuir, called The Gap in The Curtain. In that novel key characters are given certain knowledge of a future event in their lives, with the assistance of a Professor Moe, and they then plan their lives around that certain event. The consequences from managing their affairs based on the known destination are disastrous as the route to that destination was highly unpredictable. Given the current record high total debt-to-GDP ratio it is very likely that the route to reducing debt burdens will include much higher inflation than we have had to live with in recent decades. However, the lesson from The Gap in The Curtain is that we should not assume that simply planning our investments in light of the likelihood that higher inflation will play a role in reducing debt burdens is a foolproof way to ensure the growth of the purchasing power of our capital. There will be many twists and turns and many of those will likely come from surprising changes in government and central bank policy as they steer us to the desired destination. As stewards of your capital, the Board and Investment Manager are all too aware that, as Warren Buffet famously said, deploying capital to preserve and grow the purchasing power of savings is 'simple but not easy.'

What we can say about the journey though is that it will require an approach that embraces the need for change in the portfolio and also a need to find corporate management able to cope with change. There are tens of thousands of listed equities for our Manager to choose from in navigating this route and, if we align with the best corporate management, they too will play a key role in navigating us through the uncertainties ahead.

Not every country in the world is burdened with excessively high debt relative to the size of their GDP and our global equity mandate will allow our Company to seek out business environments where our capital is most likely to thrive. Mid Wynd has already divested many of its investments in China, in a timely fashion, in recognition that the current leadership of that country is not pursuing policies that are supportive of good returns on invested capital. The global equity mandate, without any constraint from following an equity index, allows the Investment Manager to invest your capital in the greenest pastures should structural shifts in government policy threaten the purchasing power of your savings whether in China or anywhere else. The Investment Manager thus has a very flexible mandate and invests in companies that can, if we wisely choose those with the right stewardship capabilities, adapt to the twists and turns in the long road that leads us to a lowering of global debt to more sustainable levels.

The initial capital that set our Company on its journey was invested by the Scott family to set up a flax warping mill in Mid Wynd in Dundee in 1797. It has not been plain sailing since then with economic depressions, world wars, extreme government actions and pandemics all impacting returns on capital. However the capital has endured and grown and by selecting good companies, with the right management and at reasonable valuations there is good reason to believe that our Company can continue to endure and prosper.

Managing money is never easy and there are always new challenges. Our Managers have risen to the challenge of a global pandemic to steward our capital with calm and intelligence. Their ability to meet a series of different challenges since their appointment in 2014 should provide shareholders with reassurance that your Company has the ability to adapt to the challenges ahead. I would like to thank them for all their efforts on behalf of Mid Wynd and in particular their efforts over this reporting period which has been particularly challenging for all investors.

Contact us

Shareholders can keep up to date with Company performance by visiting midwynd.com where you will find information on the Company, a monthly factsheet and regular updates from the Investment Manager. In addition, the Board is always keen to hear from shareholders.

Should you wish to, you can e-mail the Chairman at midwyndchairman@artemisfunds.com.

Russell Napier

2 September 2021

Investment Manager's Review

- The Company's NAV returned 24.3% during the period.
- Good broad-based performance from a range of themes.
- Still focused on long-term growth.

Introduction – Another positive year for equities…

Global equities have enjoyed yet another year of positive returns as economies have recovered from the global pandemic. Markets were led higher by stocks that had had a particularly tough time in the depths of the crisis – notably, oil companies, where we have no holdings, and banks, where we have few holdings. Both areas did very well (having been poor performers for much of the previous decade).

We do not tend to invest in such short-term cyclical areas, so you might expect the Company to have had a period of relative underperformance. Over the year, the Company's share price rose 26%, in line with the MSCI AC World index, which rose 25%. The Company paid dividends during the period of 6.22p (2020: 6.85p).

Regional performance

Region	Contribution %
Asia Pacific ex Japan	0.4
Emerging Markets	2.4
Europe	3.1
United Kingdom	0.3
Japan	3.0
North America	15.4

Thematic performance

Theme	Contribution %
Automation	4.3
Building The Future	0.2
Digital Banking	1.1
Energy Transition Materials	(0.2)
Healthcare Costs	0.1
High Quality Assets	3.6
Low Carbon World	3.8
Online Services	5.5
Scientific Equipment	2.1
Screen Time	1.0
Sustainable Consumer	3.2

Current investment themes

During the year our **High-Quality Assets** theme performed very well as more asset-backed shares came into favour. So we reviewed these holdings, which had become 20% of assets, and have now split this theme into two:

Energy Transition Materials (6% of the portfolio). Here we invest mainly in copper mines. We are aware of the environmental issues around mining, and copper mines in particular. However, we also welcome governments' commitments to a lower carbon economy, and this must inevitably lead to greater demand for copper. Many of the existing mines are now quite old, few new mines are being developed and higher environmental standards need support from investors. So we are taking a contrarian stance to other fund managers who prefer to exclude these investments while seemingly having no alternative plan for energy transition. Our holdings in this area, such as Freeport McMoRan, were the Company's best performing investments over the year.

Building the Future (8% of the portfolio). Through this theme we invest in owners of property who are able to provide the real estate which will be required after the pandemic when many of us move to more flexible working hours and hot-desks. In offices, higher standards of air conditioning and elevators are needed. Our investment in Trane Technologies, the US air conditioning company, performed very well. We believe such transitions throw up opportunities for the better financed property companies and are a problem for landlords who cannot afford to upgrade.

We also believe high-quality automated warehouses will continue to prosper as supply chains shorten and more products are delivered from warehouse to home.

Elsewhere, we reviewed our **Emerging Market Consumer** theme (12% of the portfolio) and renamed it '**Sustainable Consumer**'. The greatest strength of the emerging-market demographic wave may now be behind us and consumers in developed countries seem to be demanding new standards when choosing products. Historically, crises have often led to sharp changes in consumers' tastes and fashion. We believe that younger consumers in particular expect companies to maintain high standards in their supply chains and their social and environmental impact, while also keeping prices low. In many sectors, like mass food production, such issues could prove very difficult to manage. We have therefore refined our stock selection and note that our luxury goods stocks have maintained high quality in their supply chains. These investments have again performed well for us over the last year as the consumer recovery has come through.

Online Services (17% of the portfolio): In the early part of the year, we reviewed the valuations of all our holdings in technology. Our conclusion was that the larger technology holdings justified their valuations and continued to show high revenue growth, but some of the less well established holdings could be vulnerable to a move away from investments whose profitability was not yet proven. We therefore reduced our exposure to some of the younger investments in the Company, taking good profits as we did.

Technology lagged the market in the first six months of this reporting period (perceived to have little 'recovery potential'), but has rebounded more recently. Also, while an improving economy makes the most difference to a very fragile business, such as a restaurant, it still helps a strong business, such as a software company. These also see stronger orders as businesses move back to investing for the future.

Finally, we had been concerned that the Chinese government would tighten regulation and require their large digital businesses to contribute more to Chinese society. This led us to sell our Tencent, JD.com and Alibaba positions over the last year.

Fintech (11% of the portfolio): Again we have reviewed this theme and decided to name it **Digital Banking** and to compare within it new fintech platforms alongside traditional banks. This led us to taking profits in our US bank holdings, which rallied after Joe Biden won the US presidency. Banks benefit from economic recovery, but it seems to us too early to judge the level of business failures following the pandemic – we need to wait until central banks remove their support. Also, regulators continue to insist on very high core capital reserves. While good for protecting taxpayers against banks failing, these reserves are a drag on returns for the shareholder. We therefore limit our investments in traditional banks to Asia where superior GDP growth helps drive volumes and profits and where valuations seem reasonable.

Automation (12% of the portfolio): Having had a dull period, this theme showed very good performance this year as economies revived and higher levels of orders came in, especially from China. With Asian orders now slowing a little, it is encouraging to see US and European companies starting to place orders for automation-related products.

Healthcare Costs (8% of the portfolio): Having performed very well during the pandemic, this theme has been disappointing. We have sold most of our drug stocks as the Biden Administration continues to look for ways to reduce drug prices. Also, advances in biotechnology are delivering new treatments for a range of ailments, challenging some of the treatment models which have been core for large pharmaceutical companies.

However, the pandemic also shows that healthcare needs more investment, not less. We have therefore focused on companies involved in US healthcare insurance that have embraced Obamacare. We have also gone back to medical equipment companies such as Boston Scientific, the leader in coronary stents, which should benefit from a return to elective surgery as Covid-19 levels fall.

Scientific Equipment (9% of the portfolio): This theme also performed poorly as investors took profits following the sector's very successful period over the worst of the pandemic. We took a longer-term view and increased our holdings. While Covid testing rates may well moderate, we do not see testing ending suddenly. Also, we see the future of healthcare being based around more consultations by webcam, followed by more testing. We expect interest to grow in precise Covid variant tests, as facilitated by one of our investments, Illumina, and for new tests for cancers and other illnesses, thanks to advances in biochemistry.

Screen Time (8% of the portfolio): Again, the end of lockdown has suggested that this theme may have the best behind it. No doubt we will see a slowing in, for instance, new subscriptions to Disney+, but longer term we believe they have the right production model, range of content and distribution platform to become a global leader in streamed video, which keeps us happy with our investment.

Low Carbon World (9% of the portfolio): As we expected, very high levels of government support for renewable energy projects have reduced the returns available for private investors. The period has also seen a number of large oil companies bid extravagantly for offshore wind farm contracts, perhaps hoping to burnish their green credentials. Our core holdings have shown good financial discipline, not chasing the market, but at the cost of more modest growth in the short term.

Five largest stock contributors to performance

Company	Theme	Contribution %
Freeport-Mcmoran	Energy Transition Materials	1.6
Taiwan Semiconductor Manufacturing	Automation	1.3
Trane Technologies	Building the Future	1.1
Charles Schwab	Digital Banking	1.1
Louis Vuitton Moët Hennessy	Sustainable Consumer	1.1

Five largest stock detractors from performance

Company	Theme	Contribution %
Quidel	Scientific Equipment	(0.6)
Reckitt Benckiser Group	Sustainable Consumer	(0.4)
Barrick Gold	High Quality Assets	(0.3)
Vodafone	Screen Time	(0.3)
Ping Identity Holding	Online Services	(0.3)

Outlook – Looking beyond the short-term recovery …

Global equity investors should be pleased – or perhaps surprised – at how well they have fared over the last two years of chaos. This speaks well of how most companies have coped and perhaps makes one more confident that modern businesses are stable, well-financed and resilient. From that point of view, a well-balanced portfolio of growing global equities seems a good home for savings, especially when government bond yields remain low.

In November 2020, the first vaccines against Covid-19 appeared and Jo Biden was elected President of the USA. Both events marked the end of lockdown in key economies, the start of recovery and the announcement of vast government stimulus packages in China, Europe and especially the US. The size of some of these packages seemed excessive given that economies had already recovered to some degree and jobs were being created fairly swiftly, especially in the US and Northern Europe. This led to fears of inflation, and, indeed, US consumer prices rose by around 5% on some measures – though a good part of this is a rebound from very depressed prices the year before.

As we stand now, in the summer of 2021, recovery is progressing, but signs of overheating are few. Some of the capacity constraints that have driven prices up are clearing. For instance, higher oil prices have led to more production by Opec. Markets seem now to recognise that more elevated levels of inflation may be with us for a while – and certainly will be tolerated by central banks – but markets do not fear a spiralling inflationary cycle and, indeed, bond yields have defied current inflation numbers, by staying low and with the yield curve flat, indicating a modest pick-up.

Some of this moderated recovery may be due to Covid not being behind us. Policies needed to live with the disease will probably include continued vaccination across much of the population and perhaps long lasting changes to working practices in some sectors. Fortunately, to date, hospitalisations and fatalities are well down, but that may not be sufficient for consumer confidence to return and a full economic recovery to come.

While disappointing, the above scenario suits your portfolio. Markets have spent much of the last year chasing recovery stocks, but we have stayed focused on the longer-term, investing in growth companies which do not rely on a recovery. These have continued to grow cashflows through the Covid-19 crisis and valuations do not look overstretched. Furthermore, even without a full consumer recovery, world economies overall are doing well and global trade and business investment are rising. We therefore continue to believe that our spread of themes focused on longer-term growth should continue to grow our investors' wealth for years to come.

Sustainable Investing

Over recent years, a number of investment houses have made much of the sustainability of their investments or how their funds score on measures of environmental, social and governance factors. As we aim for longer-term investment success, we have always included these factors in our selection process. Our interpretation of the factors is based on common sense and real-life situations, rather than any tick list or one-size-fits-all screen. As an example, we think that air travel may remain essential in large Asian countries while the environmental damage of cheap flights may become unacceptable in Europe.

We are not, however, looking to change the world, nor do we presume to have an ethical code that all would follow.

Artemis' investment approach

Our aim is to identify reliable commercial trends around the world that are likely to deliver superior growth to our investments. By focusing the portfolio around trends, such as the growth of consumption from emerging markets, the growth in demand for healthcare in developed markets and technological change on the internet and in the energy industry, we believe our thematic-based approach can deliver superior returns over time.

Within each chosen investment theme's universe of companies, there may be many quoted equities which could be attractive investments. Our preference is to select high-quality companies with a history of profitability, high cash generation and strong balance sheets and which have established barriers to entry to their industries. Such companies sometimes lag equity markets when they recover vigorously after a recession, but they can protect capital well when economic conditions become more testing.

Once an investment opportunity has been identified, we will only commit capital to it when the price offers the chance to invest at a reasonable valuation. This valuation discipline is at the heart of all of our investment decisions. In terms of portfolio construction, this will reflect opportunities that meet our investment criteria and will not be weighted to a benchmark. We aim to run a diversified portfolio, with around 55-75 holdings spread across 8 to 10 different themes.

Over time we have found this investment approach gives a framework to deliver very attractive returns to investors.

Further information on our investment approach can be found on our website at artemisfunds.com.

Simon Edelsten & Alex Illingworth
Fund Managers

2 September 2021

Investments as at 30 June 2021

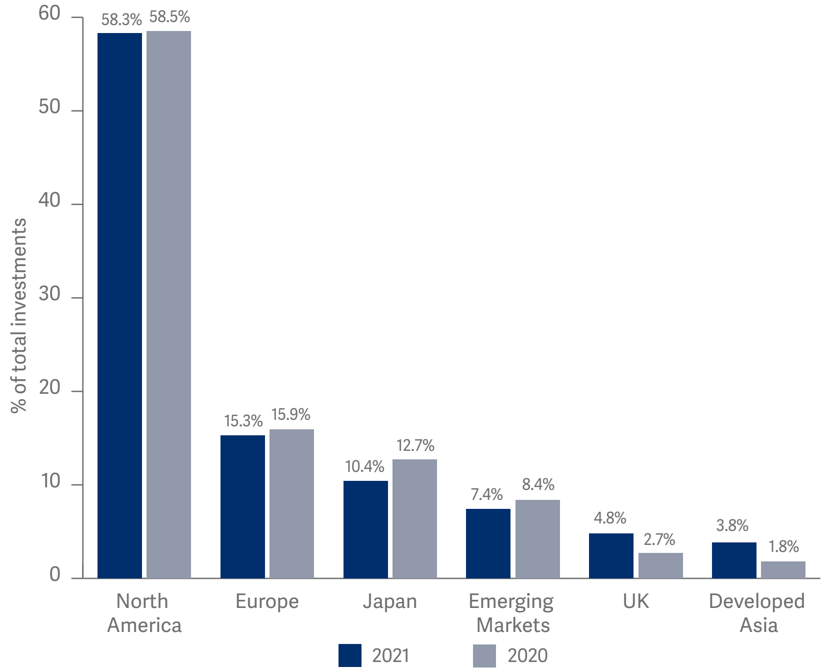
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Equities					
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	12,149	2.7
Equinix (REIT)^	North America	Real Estate	Online Services	12,030	2.7
Apple	North America	Information Technology	Screen Time	11,401	2.5
Alphabet	North America	Communication Services	Online Services	11,326	2.5
Amazon.com	North America	Consumer Discretionary	Online Services	10,362	2.3
UnitedHealth Group	North America	Health Care	Healthcare Costs	10,163	2.2
Anthem	North America	Health Care	Healthcare Costs	9,725	2.1
Freeport-McMoRan	North America	Materials	Energy Transition Materials	9,502	2.1
Trane Technologies	North America	Industrials	Building the Future	9,459	2.1
Microsoft	North America	Information Technology	Online Services	9,441	2.1
Top 10 equity investments				**105,558**	**23.3**
Prologis (REIT)^	North America	Real Estate	Building the Future	9,350	2.1
Boston Scientific	North America	Health Care	Healthcare Costs	8,854	1.9
Adobe	North America	Information Technology	Online Services	8,530	1.9
PerkinElmer	North America	Health Care	Scientific Equipment	8,440	1.9
Avery Dennison	North America	Materials	Sustainable Consumer	8,429	1.9
PayPal Holdings	North America	Information Technology	Digital Banking	8,137	1.8
Accenture	North America	Information Technology	Online Services	7,990	1.8
Charles Schwab	North America	Financials	Digital Banking	7,811	1.7
Louis Vuitton Möet Hennessy	Europe	Consumer Discretionary	Sustainable Consumer	7,721	1.7
Taiwan Semiconductor Manufacturing	Emerging Markets	Information Technology	Automation	7,680	1.7
Top 20 equity investments				**188,500**	**41.7**
Daifuku	Japan	Industrials	Automation	7,678	1.7
KB Financial Group	Emerging Markets	Financials	Digital Banking	7,560	1.7
NVIDIA	North America	Information Technology	Online Services	7,532	1.7
DBS Group Holdings	Developed Asia	Financials	Digital Banking	7,436	1.6
Tokyo Electron	Japan	Information Technology	Automation	7,396	1.6
Walt Disney	North America	Communication Services	Screen Time	7,368	1.6
L'Oréal	Europe	Consumer Staples	Sustainable Consumer	7,354	1.6
KION Group	Europe	Industrials	Automation	7,336	1.6
Segro (REIT)^	UK	Real Estate	Building the Future	7,317	1.6
Legrand	Europe	Industrials	Low Carbon World	7,277	1.6
Top 30 equity investments				**262,754**	**58.0**
Norfolk Southern	North America	Industrials	Low Carbon World	7,190	1.6
Keyence	Japan	Information Technology	Automation	7,015	1.5
Agilent Technologies	North America	Health Care	Scientific Equipment	6,981	1.5
Cie Financiere Richemont	Europe	Consumer Discretionary	Sustainable Consumer	6,593	1.5
Illumina	North America	Health Care	Scientific Equipment	6,169	1.4
Union Pacific	North America	Industrials	Low Carbon World	6,158	1.4
British Land (REIT)^	UK	Real Estate	Building the Future	6,113	1.4
Boliden	Europe	Materials	Energy Transition Materials	6,087	1.3
Visa	North America	Information Technology	Digital Banking	5,956	1.3
salesforce.com	North America	Information Technology	Online Services	5,922	1.3
Top 40 equity investments				**326,938**	**72.2**

^ Real Estate Investment Trust

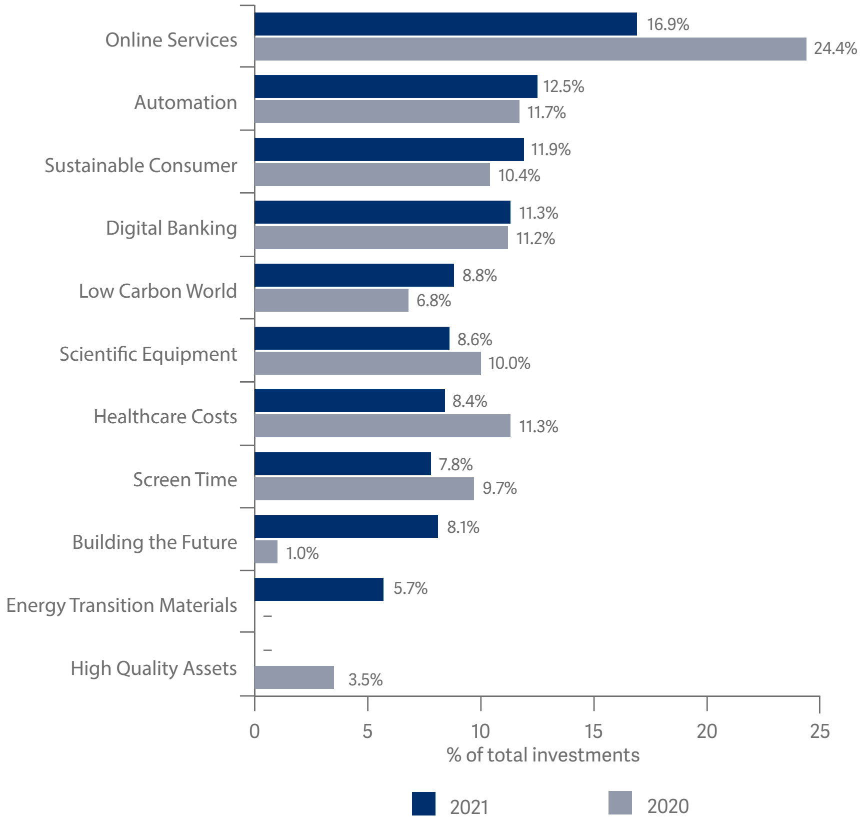
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Hermes International	Europe	Consumer Discretionary	Sustainable Consumer	5,746	1.3
Samsung Electronics	Emerging Markets	Information Technology	Screen Time	5,735	1.3
Yaskawa Electric	Japan	Information Technology	Automation	5,713	1.3
Colgate-Palmolive	North America	Consumer Staples	Sustainable Consumer	5,390	1.2
Sony Group	Japan	Consumer Discretionary	Screen Time	5,318	1.2
Mastercard	North America	Information Technology	Digital Banking	5,315	1.2
Nabtesco	Japan	Industrials	Automation	5,241	1.2
Lasertec	Developed Asia	Information Technology	Automation	5,222	1.1
Yamaha Motor	Japan	Consumer Discretionary	Sustainable Consumer	4,831	1.1
Netflix	North America	Consumer Discretionary	Screen Time	4,793	1.0
Top 50 equity investments				**380,242**	**84.1**
Citigroup	North America	Financials	Digital Banking	4,625	1.0
Novo Nordisk	Europe	Health Care	Healthcare Costs	4,576	1.0
Quidel	North America	Health Care	Scientific Equipment	4,366	1.0
SSE	UK	Utilities	Low Carbon World	4,318	1.0
Roche Holding	Europe	Health Care	Healthcare Costs	4,310	1.0
Polaris	North America	Consumer Discretionary	Sustainable Consumer	4,201	0.9
SIG Combibloc Group	Europe	Materials	Low Carbon World	4,181	0.9
Ascendas (REIT)^	Developed Asia	Real Estate	Building the Future	4,161	0.9
Orsted	Europe	Utilities	Low Carbon World	4,130	0.9
Anglo American	UK	Materials	Energy Transition Materials	3,879	0.9
Top 60 equity investments				**422,989**	**93.6**
Pagseguro Digital	Emerging Markets	Industrials	Digital Banking	3,556	0.8
Komatsu	Japan	Industrials	Energy Transition Materials	3,439	0.8
Xinjiang Goldwind Science & Technology	Emerging Markets	Industrials	Low Carbon World	3,188	0.7
Aker Carbon Capture	Europe	Industrials	Low Carbon World	2,734	0.6
Thai Beverage	Emerging Markets	Consumer Staples	Sustainable Consumer	2,703	0.6
Grupo Mexico	Emerging Markets	Materials	Energy Transition Materials	2,421	0.5
Autodesk	North America	Information Technology	Automation	2,295	0.5
Ping Identity Holding	North America	Information Technology	Online Services	2,267	0.5
Total equity investments (68)				**445,592**	**98.6**
Net current assets (excluding bank loans)				16,450	3.6
Bank loan				(9,949)	(2.2)
Total net assets				**452,093**	**100.0**

^ Real Estate Investment Trust

Regional analysis of the portfolio as at 30 June



Thematic analysis of the portfolio as at 30 June



Business Review

This Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Purpose

Our purpose is to increase the real wealth and prosperity of our shareholders, thus helping them meet their long-term savings needs.

Mid Wynd International Investment Trust plc can trace its heritage back to 1797, when the founder of the Company set up a textiles business in Dundee. Its origins as an investment company date from 1949, when the Board began to manage the financial reserves as a separate entity from the main trading business. In September 1981, the shares of Mid Wynd International PLC were floated on the London Stock Exchange. At that time, the Board was entrusted by shareholders to manage their wealth, with a focus on investing in global companies with strong growth prospects and sustainable businesses. This focus remains as true for the Board and Investment Manager today as it did back then.

Through our investment company structure, we enable shareholders, large or small, to invest in an actively-managed diversified portfolio of securities in a cost-effective way, giving them access to the growth opportunities offered by world markets. Although the Company aims to provide dividend growth over time, its primary aim is to maximise total returns to shareholders.

Strategy

As stated above, the Company's purpose is to increase the real wealth and prosperity of our shareholders, thus helping them meet their long-term savings needs. To achieve this goal, the Company has adopted a number of policies which are set out below.

Objective and investment policy

The objective of the Company is to achieve capital and income growth by investing on a worldwide basis. Although the Company aims to provide dividend growth over time, its primary aim is to maximise total returns to shareholders.

The Company is prepared to move freely between different markets, sectors, industries, market capitalisations and asset classes as investment opportunities dictate. On acquisition, no holding shall exceed 15% of the portfolio. The Company will not invest more than 15% of its gross assets in UK listed investment companies. Assets other than equities may be purchased from time to time including but not limited to fixed interest holdings, unquoted securities and derivatives. Subject to prior Board approval, the Company may use derivatives for investment purposes or for efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk).

The number of individual holdings will vary over time. To ensure diversification of opportunity and management of risk, there will be between 40 and 140 holdings, and the portfolio will be managed on a global basis rather than as a series of regional sub-portfolios. As at 30 June 2021 there were 68 holdings in the portfolio.

The Board and Investment Manager assess investment performance with reference to the MSCI All Country World Index (GBP). However, little attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A long-term view is taken and there may be periods when the net asset value per share declines in absolute terms and relative to the comparative index.

Business model

The Company is incorporated in Scotland and operates as an Investment Trust Company. It is an investment company within the meaning of section 833 of the Companies Act 2006 (the "Act") and is approved as an investment trust by HM Revenue and Customs subject to the Company continuing to comply with the requirements of section 1158 of the Corporation Taxes Act 2010. The Company has a premium listing on the London Stock Exchange. The Company is also an Alternative Investment Fund whose investment manager is regulated by the Financial Conduct Authority.

The Board has no employees and delegates most of its operational functions to a number of key service providers, the most important of which is the Investment Manager, Artemis Fund Managers Limited. All key service providers are appointed under rolling contracts which are periodically reviewed, at which time the appropriateness of the continuing appointment of such service providers is considered. Details of key service providers are set out later in this report.

Dividend policy

The Company's main focus is on growing shareholders' capital. Nevertheless, the Company does have a progressive dividend policy which is not solely determined by the requirements of s1158 of the Corporation Taxes Act 2010 to retain no more than 15% of revenue earnings in any financial year. The Board intends to grow dividends, subject to the availability of distributable reserves.

Gearing and leverage

The Company may use borrowings to support its investment strategy and can borrow up to 30% of its net assets. During the year, the Company renewed a multicurrency revolving credit facility with the Bank of Nova Scotia (London Branch) which is available to the Company until 19 February 2024. The available facility was increased from USD30m to USD60m. As at 30 June 2021, €4.0m (£3.4m) and US$9.0m (£6.5m) was drawn down from this facility.

The Company's gearing is reviewed by the Board and Investment Manager on an ongoing basis.

Leverage is defined in the Alternative Investment Fund Managers Directive ('AIFMD') as any method by which the Company can increase its exposure by borrowing cash or securities, or from leverage that is embedded in derivative positions. The Company is permitted to borrow up to 30% of its net assets (determined as 130% under the Commitment and Gross ratios). The Company is permitted to have additional leverage of up to 100% of its net assets, which results in permitted total leverage of 230% under both ratios. The Alternative Investment Fund Manager (the 'AIFM') monitors leverage values on a daily basis and reviews the limits annually. No changes have been made to these limits during the year. At 30 June 2021, the Company's leverage was 102.01% as determined using the Commitment method and 104.21% using the Gross method. Further details can be found in the Glossary on page 63.

Current and future developments

A summary of the Company's developments during the year ended 30 June 2021 together with its prospects for the future, is set out in the Chairman's Statement on pages 5 to 7, the Investment Manager's Review on pages 8 to 10 and within the Principal risks and risk management information on pages 16 to 18. The Board's principal focus is the delivery of positive long-term returns for shareholders. This will be dependent on the success of the investment strategy, in the context of both economic and stock market conditions. The investment strategy, and factors that may have an influence on it, are discussed regularly by the Board and the Investment Manager. The Board furthermore considers the ongoing development and strategic direction of the Company, including its promotion and the effectiveness of communication with shareholders.

Culture and values

Culture

Corporate culture for an externally-managed investment trust like Mid Wynd International Investment Trust PLC, refers to the beliefs and behaviours that determine how the Directors interact with one another and how the Board manages relationships with shareholders and key service providers, such as the Investment Manager. The culture is defined by the values which are set out below. The s172 report included in this Strategy and Business Review provides further details of how the Board has operated in this regard.

Values

The Board is mindful that it is overseeing the management of a substantial investment portfolio on behalf of investors. In many cases, the investment in the Company may represent a large proportion of an individual's savings. As all the Directors are invested in the Company, the Directors' interests are aligned with those of fellow shareholders in this regard.

Our approach to governing the Company is therefore underpinned by our determination to do the right thing for our shareholders. Key to this is having a constructive relationship with them, through monthly updates, Half-yearly and Annual Financial Reports, and the opportunity to meet with them at the Annual General Meeting, when this is held under normal circumstances. We also believe in having strong relationships with our Investment Manager and other service providers, one based on mutual trust and respect, with constructive challenge when required. Below is a summary of the Board's most important values:

- **Excellence:** the Directors want the Company to succeed. The Board is very focused on its purpose of delivering long-term value for all its shareholders, whether they are large or small. Focusing on this strategic imperative and adopting best practice wherever appropriate in all the Company's dealings are key to driving excellence. We will always put our shareholders first and will constantly look at how to enhance long term value, for example through the use of gearing, share issuance, and buybacks.
- **Integrity:** the Board seeks to be ethical and honest, to comply with all laws and regulations applicable to investment companies, avoid conflicts of interest and have zero tolerance to bribery and corruption, tax evasion or other fraudulent behaviour. It expects the same high standards to be adopted by all its key service providers.
- **Accountability:** the Board recognises the need to explain the Company's performance to investors, including the upsides, the downsides and the risks in a clear, straightforward and transparent manner. Accountability also involves the Board challenging its key service providers to ensure the Company continues to receive a high standard of service to drive long term shareholder value. Each of the Directors recognises their individual responsibility to shareholders and accordingly each of the Directors stands for re-election at each Annual General Meeting.
- **Respect:** the Board is collegiate and recognises the value of the diverse backgrounds and opinions of its Directors. It also recognises the importance of treating shareholders and key service providers with respect. Contact by shareholders via the Chairman's email address is welcomed, while the Company adheres to key service provider terms and conditions such as prompt payment.
- **Sustainable investing, and Environmental, Social and Governance ("ESG") issues:** Both the Board and our Investment Manager, Artemis, recognise that sustainability and ESG matters should be cornerstones to the investment approach. Artemis' own overview of its stewardship activities during 2020-21, including a summary of its own values (which align with those of the Board) can be found on the Company's website at midwynd.com.

Key performance indicators ('KPIs')

The performance of the Company is reviewed regularly by the Board and it uses a number of KPIs to assess the Company's success in meeting its objective. The KPIs which have been established for this purpose are set out below.

- **Net asset value performance compared to the MSCI All Country World Index (GBP)**

The Board monitors the performance of the net asset value per share against that of the MSCI All Country World Index (GBP).

- **Share price performance**

The Board monitors the performance of the share price of the Company to ensure that it reflects the performance of the net asset value.

Discrete annual total returns

Year ended 30 June	Net asset value	Share price	MSCI All Country World Index (GBP)
2017	21.0%	27.5%	22.2%
2018	12.7%	13.4%	8.9%
2019	13.3%	15.2%	9.7%
2020	12.2%	9.1%	5.2%
2021	24.3%	27.3%	24.6%

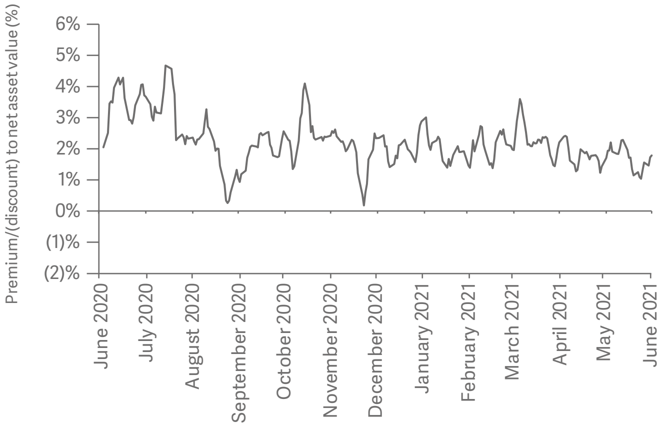
- **Share price premium/(discount) to net asset value**

The Board recognises that it is in the interests of shareholders to maintain a share price as close as possible to the net asset value (NAV) per share. The policy of the Board is to limit the discount or premium to a maximum of 2 per cent in normal circumstances. The Company may issue shares at such times as demand is not being met by liquidity in the market and buy back shares when there is excess supply. This policy has proved consistently effective in generating value within the Company and protecting shareholders' liquidity requirements. During the COVID-19 emergency the stock markets and thus the Company's NAV were particularly volatile. At all times the Company sought to manage the discount and premium within the target parameters. While the Company declares its NAV daily, markets are open almost twenty four hours per day and this accounts for the wider range in premium and discount in 2021 shown on the following chart. The Company has performed strongly against the challenging market conditions encountered during the current year and as a result, 9,641,000 shares have been issued during the year to 30 June 2021, raising proceeds, net of dealing commission and stock exchange fees, of £66.3m. At the year end the issued share capital of the Company had risen by approximately 131% on the balance at the time of the Investment Manager's appointment in May 2014.

Although the Company incurs modest costs for operating the policy and when renewing shareholder authority, issuance at a premium and buying back at a discount under the policy more than compensates and is consistently accretive to NAV. The Board estimates that since the Investment Manager was appointed, the NAV has further benefited from the premium that new shares have been issued at by £4.1m after all costs, with £1.3m of this gain being generated in the latest financial year.

Further details of the shares issued and bought back during the year are set out in the Share Capital section on page 18.

Share price premium/(discount) to net asset value



Source: Datastream/Morningstar.

- **Ongoing charges**

The Board is mindful of the ongoing costs to shareholders of running the Company and monitors operating expenses on a regular basis. An increase in funds under management during the year has led to the reduction in the Company's current ongoing charges ratio to 0.6% (2020: 0.7%).

- **Dividend per share**

Notwithstanding the fall in revenue earnings during the year, the Board, in addition to capital growth, continues to pursue its policy of growing dividends. It monitors the revenue returns generated by the Company during the year, its historic revenue reserves and expected future revenue and then determines the dividends to be paid. Subject to approval of the final dividend by shareholders, a total dividend of 6.40 pence per share (2020: 6.12 pence per share) will be paid in respect of the year ended 30 June 2021. This represents an increase of 4.6%.

Dividends paid in respect of the years ended June 2021 and June 2020 were fully covered by their respective current year earnings.

Principal risks and risk management

The Board has carried out a robust assessment of the emerging and principal risks and, in conjunction with the Investment Manager, has developed a risk map which sets out the principal risks faced by the Company. It is used to monitor these risks and to review the effectiveness of the controls established to mitigate them. The Directors are satisfied that there has not been any material change in the exposure of the Company to each of the risks identified below. Further information on the Company's internal controls is set out in the corporate governance section of the Directors' Report on pages 26 and 27.

A summary of the key areas of risk and uncertainties is set out below along with controls in place to manage these which are highlighted for each risk.

- *Strategic risk:* The management of the portfolio of the Company may not achieve its investment objective and policy. The Company's investments are selected on their individual merits and the performance of the portfolio may not track the wider market (represented by the MSCI All Country World Index (GBP)). The Board believes this approach will continue to generate good long-term returns for shareholders. Risk is diversified through a broad range of investments being held. The Investment Manager has a proven track record; the Board discusses the investment portfolio and its performance with the Investment Manager at each Board meeting.

- *Market risks:* The Company invests in a portfolio of international quoted equities. The prices of equity investments may be volatile and are affected by a wide variety of factors many of which can be unforeseen and are outwith the control of the investee company or the Investment Manager. These price movements could result in significant losses for the Company.

  There continues to be risk associated with the COVID-19 pandemic. This risk is reducing with the role out of the vaccine though continues to be more significant in emerging markets. The portfolio has only modest exposure to emerging markets at this time to limit the capital at risk.

  The Company's functional currency and that in which it reports its results is Sterling. However, the majority of the Company's assets, liabilities and income are denominated in currencies other than Sterling. Consequently, movements in exchange rates will affect the Sterling value of those items. The country in which a portfolio company is listed is furthermore not necessarily where it earns its profits and movements in exchange rates on overseas earnings may have a more significant impact upon a portfolio company's valuation than a simple translation of that company's share price into Sterling. The Company does not generally hedge its currency exposures and changes in exchange rates may lead to a reduction in the Company's NAV.

  The Company pays interest on amounts drawn down under its borrowing facility with The Bank of Nova Scotia. As such, the Company will be exposed to fluctuations in the prevailing market rates for each currency drawn down under the facility.

  The Investment Manager has a proven track record and reports regularly to the Board on market developments. At each Board meeting the Investment Manager provides explanations for the performance of the portfolio and the rationale for any changes in investment themes. Any use of derivatives to manage market risks requires Board approval.

- *Borrowing:* The Company has a multicurrency revolving credit facility with The Bank of Nova Scotia to borrow money for investment purposes. If the Company's investments fall in value, any borrowings will magnify the extent of the losses and if borrowing facilities are not renewed, the Company may also have to sell investments to repay borrowings. All borrowing arrangements entered into require the prior approval of the Board and gearing levels are discussed by the Board and Investment Manager at each Board meeting. The Bank of Nova Scotia requires the Company to confirm adherence to the agreed covenants on a monthly basis. There has been no breach of these covenants during the year or the prior year. The majority of the Company's investments are in quoted companies which are highly liquid.

- *Regulatory:* Changes to the requirements of the framework of regulation and legislation (including rules relating to listed closed-end investment companies), within which the Company operates, could have a material adverse effect on the ability of the Company to carry on its business and maintain its listing. A change to the legal or regulatory rules in the future could, amongst other things, lead to the Company being subject to tax on capital gains.

  The Company relies on the services of the Company Secretary and Investment Manager to monitor ongoing compliance with relevant regulations, accounting standards and legislation. The Company Secretary and Investment Manager also appraise the Board of any prospective changes to the legal and regulatory framework so that any requisite actions can be planned. The Company's auditor provides an annual update on any accounting standard changes that affect the Company.

- *Reliance on third party service providers:* The Company has no employees and all of the Directors have been appointed on a non-executive basis; all operations are outsourced to third party service providers. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to protect against breaches of the Company's legal and regulatory obligations such as data protection or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on the Company's operations.

  Experienced third party service providers are employed by the Company under appropriate terms and conditions and with agreed service level specifications. The Board receives regular reports from its service providers and reviews the performance of its key service providers at least annually.

- *Reliance on key personnel:* The Company's portfolio is managed by the Investment Manager and in particular there are two investment executives within the Artemis fund management team who have direct responsibility for portfolio selection. Any change in relation to the investment executives may adversely affect the performance of the Company.

  The engagement of these two individuals in the management of the portfolio provides continuity. The Investment Manager additionally has business continuity plans in the event that they were to leave. The individuals hold substantial interests in the Company and the Investment Manager has appropriate incentive arrangements in place to retain its staff.

Further information on risks and uncertainties and the management of them are set out in the Directors' Report on pages 26 and 27 and in note 20 of the notes to the financial statements.

Other matters

Viability statement

In accordance with the Association of Investment Companies (the 'AIC') Code of Corporate Governance, the Board has considered the longer term prospects for the Company beyond the twelve months required by the going concern basis of accounting. The period of assessment, in line with our Key Information Document, is five years. This has been deemed appropriate for the Company given the nature of its business, its current size and the longer term view taken by the Investment Manager when constructing the portfolio and the long term investor outlook.

In considering the Company's prospects over the next five years, the Directors have assumed that the Company will continue to adopt the same investment objective, that the Company's performance will continue to be attractive to shareholders, and that the Company will continue to meet the requirements to retain its status as an investment trust.

As part of its assessment of the viability of the Company, the Board has considered each of the principal risks above including matters relating to COVID-19 and the impact on the Company's portfolio of longer lasting damage to the economy, of a withdrawal of liquidity, of a significant fall in global markets and changes in regulation. The Board has also considered the liquidity of the Company's portfolio to ensure that it will be able to meet its liabilities as they fall due. The Board has concluded, given the very liquid nature of the majority of the investments, the level of ongoing expenses and the availability of gearing, that the Company will continue to be in a position to cover its liabilities.

The Company is authorised to trade as an investment company and has the associated tax benefits. Any change to the Company's tax arrangements could affect the Company's viability as an effective investment vehicle.

The conclusion of this review is that the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Share capital

During the year to 30 June 2021 the Company issued 9,641,000 new shares (2020: 9,412,698) to satisfy continued demand for the Company's shares, raising gross proceeds of £66.6m. All of the shares were issued at a premium to the prevailing net asset value on the date of issue.

The average premium of all share issues during the year was 2.3%.

The Directors' authority to issue and buy back shares on a non-pre-emptive basis will expire at the end of the AGM on 9 November 2021. The Directors intend to seek approval from the shareholders to renew this authority at the 2021 AGM in order to allow the Directors to continue to manage the liquidity of the Company's shares in accordance with its stated discount/premium management policy.

Directors

The Directors of the Company and their biographical details are set out on page 21. Each of the Directors held office throughout the year under review. Mr Russell Napier was appointed as Chairman on the retirement of Mr Malcolm Scott at the 2020 AGM, and Mr Harry Morgan became the Senior Independent Director.

No Director has a contract of service with the Company.

Appointments to the Board will be made on merit with due regard to the benefits of diversity, including gender. The Board recognises the benefits of diversity and over time, as suitably qualified candidates emerge, expects that this will increase. The Board considers its commitment to greater diversity is not in conflict with a policy on board tenure in which the Chairman would not ordinarily serve for more than ten years as Chairman. The Board is of the view that the shareholders' best interests are served by retaining the services of a well-qualified Chairman rather than losing them for reasons unrelated to ability. This policy on tenure does not materially restrict the ability of the Board to increase diversity and the annual appraisal process assesses whether the Chairman retains the confidence of the Board.

The Board is currently comprised of four male Directors and one female Director.

Modern Slavery Act 2015

The Company does not fall within the scope of the Modern Slavery Act 2015 as its turnover is less than £36m. Therefore no slavery and human trafficking statement is included in the Annual Financial Report.

Social and environmental matters

The Company has no employees and has delegated the management of the Company's investments to Artemis. In its capacity as Investment Manager, Artemis has a Corporate Governance and Shareholder Engagement policy which sets out a number of principles that are intended to be considered in the context of its responsibility to manage investments in the financial interests of shareholders. Artemis undertakes extensive evaluation and engagement with company managements on a variety of matters such as strategy, performance, risk, dividend policy, governance and remuneration. All risks and opportunities are considered as part of the investment process in the context of enhancing the long-term value of shareholders' investments. This will include matters relating to material environmental, human rights and social considerations that will ultimately impact the profitability of a company or its stock market rating and hence these matters are an integral part of Artemis' thinking as institutional investors. Further details of this can be found within the Investment Manager's report on page 8.

Sustainable investing and Environmental Social and Governance matters ("ESG")

Artemis' approach to sustainability and ESG matters is summarised below and further information is included in the Investment Manager's Review. The Board fully endorses Artemis' pragmatic approach focusing on long-term sustainability and ESG matters:

Sustainability: The Artemis Mid Wynd team invests in sectors which have sustainable longer-term growth characteristics. Mid Wynd currently has an above average Morningstar rating for sustainability and a low carbon designation. These ratings are indicative of the Manager's approach, although there are no guarantees that the Company will always achieve such ratings.

ESG: The Artemis fundamental analysis has always integrated governance, environmental impact and social responsibility. The Manager attempts to establish the materiality of each of the underlying factors alongside its work on profitability. Sometimes these factors raise quantifiable issues, such as environmental liability, other aspects such as governance at a company or political level require judgement and affect sizing holdings rather than a decision whether to hold a stock. This leads to certain sectors being excluded where poor sustainability standards are endemic: for example, currently Mid Wynd will not invest in the oil sector, gambling, weapons production or tobacco.

Stewardship: With regard to the diligent performance of its stewardship obligations, Artemis actively participates in a range of industry-wide initiatives and collaborations, with a view to driving positive change in the investment industry. It is a signatory to the Principles for Responsible Investment and the Climate Action 100+ initiative, a member of the Investor Forum, has a number of representatives on committees of the Investment Association and is a member of the Sustainable Accounting Standards Board. Further information on how Artemis discharged its responsibilities to investee companies is given in the s172 report in this Strategic Review.

How the Directors discharge their duties under s172 of the Companies Act

Under section 172 of the Companies Act 2006, the Directors have a duty to act in good faith and to promote the success of the Company for the benefit of its shareholders as a whole, and in doing so have regard to:

a) the likely consequences of any decision in the long term,

b) the interests of the company's employees,

c) the need to foster the company's business relationships with suppliers, customers and others,

d) the impact of the company's operations on the community and the environment,

e) the desirability of the company maintaining a reputation for high standards of business conduct, and

f) the need to act fairly as between members of the company.

As an externally managed investment trust, the Company has no employees or physical assets. Our shareholders, our investee companies, Artemis as our Investment Manager and other professional service providers, such as the administrator, depositary, registrar, auditor, corporate broker and lenders are all considered to fall within the scope of section 172.

The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company for the benefit of the Company's shareholders. Whilst certain responsibilities are delegated, directors' responsibilities are set out in the schedule of matters reserved for the Board and the terms of reference of its committees, both of which are reviewed regularly by the Board. The Board has set the parameters within which the Investment Manager operates and these are set out in the Investment Management Agreement and in Board minutes.

The Company's culture and values, as described on page 15 of this Annual Financial Report, have been established by the Board to manage its key business relationships. The Company's approach on anti-bribery and prevention of tax evasion can be found on page 26 and on the Company's website at midwynd.com.

Shareholders

To help the Board in its aim to act fairly as between the Company's members, it encourages communications with all shareholders. The Annual and Half-yearly Financial Reports are issued to shareholders and are available on the Company's website together with other relevant information including monthly factsheets. The Board regularly reviews and discusses any shareholder communications received at Board meetings. This ensures that shareholder views are taken into consideration as part of any decisions taken by the Board. The Board continued to authorise the issue and allotment of new ordinary shares. The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. Shareholders are welcome to contact the Board through use of the midwyndchairman@artemisfunds.com email address. This year we are inviting shareholders to register their attendance at our AGM where they will be able to ask questions of the Board and the Investment Manager.

As a means of ensuring good communication with our shareholders, the Company continues to engage a communications consultancy firm to assist with its marketing and future development and the Board and Investment Manager discuss the topic regularly.

The Investment Managers have presented at a number of virtual conferences throughout the year, including those run by AJ Bell and Kepler. This was in addition to providing regular investor updates to wealth managers. The Investment Manager continues to keep the interaction with all shareholders high and plans to participate in similar events in the upcoming year.

Additionally, through its membership of the AIC, the Board believes the Company and shareholders benefit from the work undertaken by this body with their representation of the investment trust industry.

Investment Manager

The Board receives regular updates from the Investment Manager and ensures that information pertaining to its key parties is provided, as required, as part of the information presented in regular board meetings.

This enables the Investment Manager to demonstrate the Company's strategy through those channels that reach its key parties, ensuring they are kept updated of the latest developments. The Investment Manager ensures communication with the Company's brokers is maintained and opportunities for growing the Company's retail base and featuring on investment platforms is strengthened.

During the period, the COVID-19 pandemic resulted in additional discussions being held between the Board and Investment Manager to discuss the impact on the Company, and specifically to ensure the protection of shareholders' interests and to understand the opportunities presented for investment in the sometimes volatile equity markets.

Investee companies

The Board has discussed with the Investment Manager how Environmental, Social and Governance ('ESG') factors are taken into account when selecting and retaining investments for the Company. The Board recognises the increasing importance placed on this area and is working with the Investment Manager in relation to future engagement on behalf of the Company. Further information on social and environmental matters is provided on pages 18 and 19 of the Annual Financial Report.

The Board has given discretion to the Investment Manager to exercise the Company's voting rights. The Investment Manager endorses the UK Stewardship Code and has active engagement in industry bodies as well as with investee company boards as set out on pages 19 and 20 of this Annual Financial Report.

Other key service providers

The Board regularly reviews the performance of other service providers to ensure that services provided to the Company are managed efficiently and effectively for the benefit of the Company's shareholders. The Board monitors the performance of these other key service providers such as the administrator, depositary and registrar through regular reporting at Board meetings or via the Company Secretary. The Board receives regulatory updates at every Board meeting and as necessary from the Company Secretary and carefully assesses the impact of these on the Company.

The Company's auditor attends two Audit Committee meetings per year which provides the Board with good opportunity for engagement and discussion of upcoming regulatory change and emerging best industry practice. This also gives the Audit Committee the opportunity to discuss the approach to the audit, its effectiveness and the level of professional scepticism applied.

Decisions made during the year

Certain key decisions taken by the Board during the year also serve as examples of how the needs and priorities of the Company's key parties are taken into account by the Board as part of its decision making process. Key decisions made during the year include:

- The decision to change the model used to calculate the value-at-risk ('VAR') monitoring model which would produce more reliable results to assess market risk in times of extreme market volatility.
- The decision to renew the Company's loan facilities with The Bank of Nova Scotia following discussions with other loan providers to source the most competitive deal.
- The decision to review and redraft statements of the Company's Purpose, Business Model, Strategy, Culture and Values to aid shareholders' understanding of the Company, as set out on pages 14 to 15.
- The Board continued to authorise the issue and allotment of new ordinary shares.
- The appointment of FundCalibre as a research provider to support the promotion of the Company and increase its coverage in national and trade press and online media.

The Board's primary focus is to promote the long-term success of the Company for the benefit of the Company's shareholders. In doing so, the Board has regard to the impact of its actions on other key parties as described above.

Financial statements

The financial statements of the Company are included on pages 38 to 52 of this report.

On behalf of the Board.

Russell Napier
Chairman

2 September 2021

Directors and Corporate Governance

Directors

Russell A R Napier (Chairman and Nomination Committee Chairman)

Russell Napier became a Director of the Company in 2009. He worked for Baillie Gifford from 1989 and for Foreign & Colonial Emerging Markets from 1994. In 1995 he joined stockbrokers CLSA in Hong Kong as its Asian equity strategist. Since 1999 he has been a consultant global macro strategist advising institutional investors. He is the author of 'Anatomy of a Bear – Lessons from Wall Street's Four Great Bottoms' and has established and runs a course called 'A Practical History of Financial Markets'. He is a limited partner and adviser at Cerno Capital Partners, an investment adviser to Kennox Asset Management and a member of the advisory board of Bay Capital.

Diana Dyer Bartlett (Audit Committee Chairman)

Diana Dyer Bartlett became a Director of the Company and Chair of the Audit Committee in February 2020. After qualifying as a chartered accountant with Deloitte Haskins & Sells, Diana spent five years in investment banking with Hill Samuel Bank. Since then she has held a number of roles as finance director of various venture capital and private equity backed businesses and listed companies involved in software, financial services, renewable energy and coal mining. She was also company secretary of Tullett Prebon plc and Collins Stewart Tullett plc.

Diana is currently a non-executive director and Audit Committee Chairman of Smithson Investment Trust plc and Schroder British Opportunities Trust plc. She was previously the audit committee chairman of AIM listed SmartSpace Software plc.

David P Kidd

David Kidd became a Director of the Company in 2016. He is a director of The Law Debenture Pension Trust Corporation PLC, which acts as independent trustee for over 200 pension schemes including many FTSE 100 companies. He has over 30 years investment management experience, having been chief investment officer of the Royal Bank of Scotland's investment management arm, the charity specialists Chiswell Associates and the private bank Arbuthnot Latham. He is a non-executive director of The Baillie Gifford Japan Trust plc and a director of The Golden Charter Trust and The Law Debenture Pension Trust Corporation. Mr Kidd was previously a non-executive director of Martin Currie Global Portfolio Trust plc, Shires Income plc and The Salvation Army International Trustee Company.

Harry J Morgan (Senior Independent Director)

Harry Morgan became a Director of the Company in 2012. He recently retired from his role as Head of Key Clients, Scotland at the Tilney Group. He spent his career managing portfolios for private clients and charities, also serving as head of investment management at Adam & Company and in senior roles at Newton Investment Management and Edinburgh Fund Managers. He is a Fellow of the Chartered Institute for Securities & Investment, and has an MBA with Distinction from the Edinburgh Business School. He is a member of the Investment Committees at the Royal Society of Edinburgh and the Robertson Trust. In August 2021, he was appointed a non-executive Director of Henderson Opportunities Trust plc.

Alan G Scott

Alan Scott became a Director of the Company in 2012. He has over 30 years' experience in banking, and is currently Head of Banking Services at Adam & Company where he has been since 2004. Prior to that he has held various positions within the NatWest Group including offshore with Adam & Company International and Royal Bank of Scotland International in Guernsey and onshore within the Corporate and Personal Banking divisions. He is a Member of the Chartered Banker Institute and holds Chartered Banker status.

All Directors are members of the Nomination Committee. In line with the AIC Code of Corporate Governance 2019 (the 'AIC Code'), all Directors, barring the Chairman of the Board, are members of the Audit Committee.

Directors' Report

The Directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 30 June 2021.

Results and dividends

The Company's results for the year are set out in the Statement of Comprehensive Income on page 38. Further analysis of the results can be found in the Strategic Report; including the Chairman's Statement, Investment Manager Review and the Business Review.

The Directors are recommending the payment of a final dividend of 3.30 pence per share. If approved at the AGM, this will be paid on 26 November 2021, to shareholders on the register as at 1 October 2021.

This will result in total dividends for the year of 6.40 pence (2020: 6.12 pence).

Management and management fees

The Company's investments are managed by Artemis Fund Managers Limited ('Artemis'), following its appointment as Investment Manager on 1 May 2014, and is subject to the Investment Management Agreement dated 15 July 2014. Artemis is entitled to an investment management fee of 0.5% per annum of the net asset value of the Company. The agreement may be terminated by either party on six months' notice.

Simon Edelsten and Alex Illingworth are the day-to-day fund managers.

The Board regularly reviews the Investment Manager's position, which includes a review of its management and investment processes, risk controls, the quality of support provided to the Board and consideration of investment performance.

Artemis is also the AIFM to the Company. The Investment Management Agreement sets out Artemis' duties to the Company in respect of the AIFMD. No fees are paid to Artemis in respect of its role as the AIFM to the Company. Artemis has delegated responsibility for the day-to-day portfolio management of the Company's portfolio to Artemis Investment Management LLP.

Both Artemis entities are authorised and regulated by the Financial Conduct Authority and at 30 June 2021 had £27.7 billion, in aggregate, of assets under management.

Continued appointment of the Investment Manager and other key service providers

The Board has reviewed the Investment Manager's engagement, including its management processes, risk controls and the quality of support provided to the Board and believes that its continuing appointment, on its current terms, remains in the interests of shareholders at this time. The last review was undertaken at a board meeting held on 26 August 2021.

The Board has also reviewed the performance of the other key service providers such as the fund administrator, depositary and registrar. Regular reports are received by the Board through the Company Secretary to aid continuous review and feedback. Details on the individual functions of these service providers can be found in the Glossary on page 63.

Election and re-election of Directors

In accordance with the AIC Code, the Board has agreed that Directors will offer themselves for re-election on an annual basis. The Board, on recommendation from the Nomination Committee recommends the re-election of all Directors at this year's AGM.

Directors' insurance and indemnification

Directors' and Officers' liability insurance cover is maintained by the Company to cover Directors against certain liabilities that may arise in conducting their duties.

The Company has entered into deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

Share capital

As at 30 June 2021, the capital structure of the Company was 59,925,114 (2020: 50,284,114) ordinary shares of 5 pence each.

Details of changes to the shares in issue can be found in the Strategic Report on page 18.

Since the year end a further 805,000 ordinary shares have been issued. As at 2 September 2021 the Company had 60,730,114 ordinary shares in issue. Therefore the Company's total voting rights are 60,730,114.

Rights attaching to ordinary shares

At any general meeting of the Company, every ordinary shareholder attending in person or by proxy (or by corporate representative) is entitled to one vote on a show of hands and, where a poll is called, every ordinary shareholder attending in person or by proxy is entitled to have one vote for every ordinary share of which he is the holder. There are no restrictions concerning the voting rights of the Company's ordinary shares or the holding or transfer of the Company's shares and there are no special rights attached to any of the ordinary shares. The Company is not aware of any agreements between shareholders which may result in any restriction on the transfer of shares or on the voting rights. The Company's ordinary shareholders may, by ordinary resolution, declare dividends provided such dividends are not in excess of any dividends recommended by the Directors. The Directors may also pay interim dividends.

As at the date of this Report, the table below sets out those shareholders who have notified the Company that they hold more than 3% of the voting rights attaching to the ordinary shares in issue as at 30 June 2021.

Significant interests

Name	Ordinary shares held at 30 June 2021	% of Total voting rights at 30 June 2021
Rathbone Investment Management Limited	4,962,929	8.28
Mr Simon Edelsten	2,379,527	3.97
Brewin Dolphin Limited	1,813,295	3.03

There have been no other changes notified to the Company in respect of the above holdings, and no other new holdings notified, since the year end. Further information on the share capital of the Company is detailed in note 13 of the notes to the financial statements.

Additional shareholder information

The provisions relating to the appointment and replacement of Directors are contained in the Articles of the Company, a copy of which can be found on the Company's web site at midwynd.com. The granting of powers to issue or buy back the Company's shares require appropriate resolutions to be passed by shareholders. The current authorities to buy back and issue shares will expire at the AGM and proposals for their renewal are set out below.

There are no agreements to which the Company is party where that agreement would terminate, or otherwise contain provisions that would come into force, on a change of control. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Going concern

The Directors, having considered the risks and likely operational costs and liabilities of the Company for the 18 months from the year end, are of the opinion that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Company receives income from its investment portfolio and maintains cash balances. In the event that there is insufficient income or cash balance available to meet the Company's liabilities, the investments within the portfolio may be realised. The Directors review the estimated time required to realise the portfolio on a regular basis. The Company has a portfolio comprised of listed investments, which are highly liquid to meet expected funding requirements in the period under consideration. In addition, the Directors have considered the continuing impact of COVID-19 and believe this will have limited impact on the Company's resources. For these reasons they continue to adopt the going concern basis in the preparation of the financial statements.

AGM

Details of the 2021 AGM are set out in the Chairman's Statement on page 5 and the Notice of Meeting on pages 53 to 57. An explanation of the resolutions to be put to the AGM is set out on pages 58 to 59.

Recommendation

The Directors consider that passing the resolutions to be proposed at the AGM will be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders vote in favour of each of these resolutions as they intend to do in respect of their own holdings.

Audited information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

The Directors confirm that there have been no post balance sheet events up to 2 September 2021 other than those included in note 21 on page 52.

Greenhouse gas emissions

As the Company has delegated the investment management and administration of the Company to third party service providers, and has no fixed premises, there are no greenhouse gas emissions to report from its operations. The Company has no employees and all of its Directors are non-executive, with all day to day activities being carried out by third parties. The Company considers itself to be a low energy user as defined in the Streamlined Energy and Carbon Reporting Regulations and therefore is not required to disclose energy and carbon information.

Corporate Governance

Compliance with the AIC Code

The Company is committed to high standards of corporate governance and has established procedures to monitor its continuing compliance with the AIC Code of Corporate Governance (the 'AIC Code'). This statement outlines how the principles of the AIC Code issued in February 2019 were applied throughout the financial year.

The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code) that are applicable to investment trusts, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council ('FRC') provides more relevant information to shareholders. The AIC Code is available on the AIC website (theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board considers that in the course of the year, and up to the date of this report, the Company has complied with the Principles and Provisions of the AIC Code. The Board notes the recommendations of the AIC Code and, where possible, has sought to include further detail in the annual financial report to outline how the Principles and Provisions of the new code are being applied.

Board responsibilities

The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company. It meets formally at least four times a year to review the performance of the Company's investments, the financial position of the Company, its performance in relation to the investment objective and all other important issues to ensure that the Company's affairs are managed within a framework of prudent and effective controls. Whilst certain responsibilities are delegated, a schedule of matters specifically reserved for its decision has been adopted by the Board.

Responsibilities are clearly defined and allocated between the Chairman, the Board, the Investment Manager and a number of third party service providers. The performance of the Investment Manager and third party service providers is reviewed by the Board on a regular basis.

No one individual has unfettered powers of decision.

The Chairman, Russell Napier is independent of the Investment Manager. The Chairman leads the Board and ensures its effectiveness on all aspects of its operation ensuring that each Director receives accurate, timely and clear information enabling them to perform effectively as a Board. The Company Secretary liaises with the Chairman prior to each meeting to agree agenda, content and papers to be submitted to Board and Committee meetings. In addition, the Chairman is responsible for ensuring there is effective communication with shareholders.

The Board has set the parameters within which the Investment Manager operates and these are set out in the Investment Management Agreement and in Board minutes. Representatives of the Investment Manager attend each Board meeting enabling the Directors to discuss its activities in managing the Company.

The Board has formalised arrangements under which Directors, in furtherance of their duties, may take independent professional advice at the Company's expense. The Directors have access to the advice and services of the Company Secretary, through its appointed representatives, who are responsible to the Board for ensuring that proper procedures are followed and that applicable rules and regulations are complied with.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Board composition

The Board comprises five Directors, all of whom are non-executive. The names of the Directors, together with their biographical details, are set out on page 21 of this report.

The Board considers that all the Directors are independent of the Investment Manager and comply with the criteria for independence as set out in the AIC Code. Each of the Directors is deemed to be independent in character and judgement. The Nomination Committee meets annually to consider matters of independence.

The Senior Independent Director provides a sounding board for the Chairman and serves as an intermediary for other Directors and shareholders.

Appointment of Directors and performance evaluation

Directors are appointed subject to the provisions of the Act and the Company's Articles. All Directors are subject to election by shareholders at the first AGM following their appointment and thereafter will be subject to annual re-election in accordance with best practice.

The Directors of the Company have not been appointed subject to a service contract. The terms and conditions of their appointments are set out in letters of appointment, which are available for inspection at the registered office of the Company.

The Board, led by the Nomination Committee, conducts an annual review of its performance and that of its Committees, the Chairman and individual Directors. This year's evaluation was conducted by completion of a formal assessment and appraisal by interview, with the evaluation of the performance of the Chairman being undertaken by the other Directors, led by the Senior Independent Director.

The Board believes that none of the other commitments of the Directors, as set out on page 21 of this report, interfere with the discharge of their duties to the Company and the Board is satisfied that they are capable of devoting sufficient time to the Company. The Board supports the resolution to re-elect each Director at the forthcoming AGM on the basis of their industry knowledge, experience and contribution to the operation of the Company.

Board committees

In order to enable the Directors to discharge their duties, two Board Committees, each with written terms of reference, have been established. Attendance at meetings of the Committees is restricted to members and persons expressly invited to attend. Copies of the terms of reference for the Board Committees are available from the Company Secretary and on the Company's website at midwynd.com. The Chairman of the Board acts as Chairman for the Nomination Committee and the Audit Committee is chaired by Diana Dyer Bartlett.

All Directors are members of the Nomination Committee. All Directors, barring the Chairman of the Board, are members of the Audit Committee.

The Company Secretary acts as the Secretary to each Committee.

As all the Directors are non-executive there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Remuneration Policy approved by shareholders. The Company's Remuneration Policy is set out on page 28 of this report.

As all the Directors are independent of the Investment Manager, there is no requirement to establish a separate Management Engagement Committee. The Board as a whole reviews the terms of appointment and performance of the Company's third party service providers, including the Investment Manager but excluding the Auditor, who is reviewed by the Audit Committee.

Audit Committee

The responsibilities of the Audit Committee are disclosed in the Report of the Audit Committee on page 31 of this report.

Nomination Committee

The Nomination Committee meets at least annually.

It is responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, for identifying and nominating to the Board new Directors and for proposing that existing Directors be re-elected. The Committee is also responsible for reviewing and making recommendations to the Board with respect to succession planning, governance policies including those policies relevant to the tenure of the Board members and diversity and inclusion. The Committee leads the Board in its annual performance evaluation. On those occasions when the Committee is reviewing the Chairman, or considering his successor, the Nomination Committee will normally be chaired by the Senior Independent Director.

The Committee considers the appointment of an external evaluator on a regular basis. An external evaluator was not engaged during the financial period.

As detailed in the Strategic Report on page 18, the Board supports the principles of diversity in the boardroom and over time will seek to extend it. The Board considers this in seeking to ensure that the overall balance of skills and knowledge that the Board has remains appropriate so that it can continue to operate effectively.

Board and Committee Meetings

The following table sets out the Directors' attendance at the Board and Committee meetings held during the year.

	Board	Audit Committee	Nomination Committee
Number of meetings	**4**	**3**	**1**
Diana Dyer Bartlett	4/4	3/3	1/1
David Kidd	4/4	3/3	1/1
Harry Morgan	4/4	3/3	1/1
Russell Napier*	4/4	1/1	1/1
Alan Scott	4/4	3/3	1/1
Malcolm Scott**	3/3	N/A	–

* Russell Napier stood down as a member of the Audit Committee on becoming Chairman. However he continues to attend meetings.

** retired on 10 November 2020.

In addition to the above meetings, the Board met on three ad-hoc occasions via tele/videoconference. All Directors were in attendance at these meetings. There were also five instances on which sub-committees of the Board met, the attendance at which was delegated to certain Directors.

Directors' tenure

Directors do not serve on the Board for a specified period of time. Each Director will be subject to the election/re-election provisions as set out in the Company's Articles, which provide that a Director appointed during the year is required to retire and seek election by shareholders at the first annual general meeting following their appointment. Thereafter, Directors are required to submit themselves for re-election annually. Providing that the Nomination Committee and the Board remain satisfied that the relevant Director's continuing appointment and independence is not impaired by length of service, the Board does not consider that there should be a set limit on their length of service. The Board does not consider that the length of time served by a Director is as important as their contribution to the running of the Company, or that it necessarily impairs their independence. Each situation will be rigorously reviewed on a case-by-case basis to ensure that a Director's independence is maintained and that their continuing appointment is in the best interests of the Company. Harry Morgan has indicated his intention to retire as a Director of the Company at the AGM in November 2022 and it is the Board's intention that the Nomination Committee will commence a search for his replacement in advance of his proposed retirement date.

Induction and training

On appointment, Directors are provided with an induction which is tailored to the particular circumstances of the appointee. Regular updates are provided on changes in regulatory requirements that could affect the Company. The Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts and receive other training as necessary.

Relations with shareholders

The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. More information about how the Board communicates with its shareholders and other parties can be found on the section 172 statement in the Strategic Report in pages 19 to 20. The Board encourages shareholders to communicate with the Directors using the midwyndchairman@artemisfunds.com email address or by contacting investorsupport@artemisfunds.com.

This year the Board are proposing to hold a physical meeting to assist shareholder communication. Details of shareholder voting are declared at every AGM and are available on the Company's website as soon as practicable following the close of the meeting. Should 20 per cent or more of votes be cast against a Board recommendation for a resolution, an explanation of what actions the Company intends to take in order to consult shareholders will be provided when announcing voting results. An update on views received from shareholders and actions taken will also be published no later than six months after the AGM together with a final summary in the next Annual Financial Report.

UK Stewardship Code

The Financial Reporting Council (FRC) updated the UK Stewardship Code effective from January 2020 and Artemis' Stewardship Report 2020 has been submitted to the FRC with the intention that Artemis will be included as a signatory to the new code when the list of signatories is published. The Board has given the Investment Manager discretion to exercise the Company's voting rights and therefore does not intend to apply to become a signatory to the new code itself. A copy of Artemis' stewardship policy and report can be found on the Investment Manager's website at artemisfunds.com.

Voting policy

The Board has given the Investment Manager discretion to exercise the Company's voting rights and the Investment Manager, so far as is practicable, will exercise them in respect of resolutions proposed by investee companies. The Investment Manager's voting for its clients is summarised on its website at artemisfunds.com.

Bribery Act 2010

As described within Culture and Values on page 15, the Company is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Conflicts of interest

The Board has put in place procedures to deal with conflicts and potential conflicts of interest and considers that these have operated effectively throughout the year. The Board also confirms that its procedures for the approval of conflicts and potential conflicts of interest have been followed by the Directors during the year under review.

In November 2018 Russell Napier began the supply of investment research to the Investment Manager and its peers, having been given Board confirmation there was no conflict of interest. The supply of services is monitored as a potential conflict.

Internal controls and management of risk

The Board recognises its responsibility for the implementation, review and maintenance of effective systems of internal control to manage the risks to which the Company is exposed as well as ensuring that a sound system of internal control is maintained to safeguard the Company's assets and shareholders' interests. As the majority of the Company's systems are maintained on behalf of the Company by third party service providers under contract, the Board fulfils its obligations by requiring these service providers to report and provide assurances on their systems of internal control, which are designed to manage, rather than eliminate, risks. In light of the Board's reliance on these systems and the reports thereon, the Board can only provide reasonable and not absolute assurance against material misstatement or loss. The Board does, however, ensure that these service providers are employed subject to clearly defined contracts and only appoints reputable companies with extensive expertise in their respective fields.

The Investment Manager, Depositary and the Administrator have established internal control frameworks and annual external audits which provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company. In addition, the Investment Manager reports quarterly to the Board on compliance with the terms of its delegated authorities under the Investment Management Agreement and other restrictions determined by the Board.

The Administrator and Depositary also report on a quarterly basis any breaches of law and regulation and any operational errors. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures.

The key procedures which have been established to provide effective internal controls are as follows:

- The Board, through the Audit Committee, has carried out and documented a risk and control assessment, which is kept under ongoing, and at least a six monthly, review.
- The Audit Committee receives regular updates of any internal audit reviews conducted on behalf of the Investment Manager which may be considered of relevance to the Company.
- Investment management, accounting and custody of assets are segregated. The procedures of the individual parties carrying out these functions are designed to complement each other.
- Investment management and company secretarial services are provided by Artemis. The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Manager. The Board reviews information produced by the Investment Manager in detail on a regular basis.
- Administration services are provided by J.P. Morgan Europe Limited. The Administrator reports to the Board on a quarterly basis and ad hoc as appropriate. In addition, the Board receives the Administrator's semi-annual report on its internal controls.
- The Board is aware of the whistleblowing procedures of Artemis and the Administrator, which are considered satisfactory.
- Safekeeping of the Company's assets is undertaken by J.P. Morgan Chase Bank N.A.

- Oversight of certain administrative and custodial procedures is undertaken by the Company's Depositary, J.P. Morgan Europe Limited. The Board reviews any exceptional items raised by the Depositary on a quarterly basis.
- The Board clearly defines the duties and responsibilities of the Company's agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of parties involved; their ongoing performance and contractual arrangements are monitored to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are approved by the Board.

By the procedures set out above, the Directors have reviewed the effectiveness of the Company's internal controls throughout the year under review and up to the date of this report. There was significant disruption since March 2020 due to the COVID-19 pandemic. The Company's main service providers adopted their business continuity plans including work from home capabilities and there was no noticeable impact to the Company's operations and control environment resulting from this.

Further information on the risks and the management of them is set out in the Strategic Report on pages 16 to 18 and note 20 of the notes to the financial statements.

The Directors consider that the Annual Financial Report, taken as a whole, is fair, balanced and understandable and the information provided to shareholders is sufficient to allow them to assess the Company's performance, business model and strategy.

By order of the Board.

Artemis Fund Managers Limited
Company Secretary

2 September 2021

Directors' Remuneration Policy and Report

Directors' Remuneration Policy

The Directors are pleased to present their Remuneration Policy.

The remuneration policy of the Company was approved by shareholders at the annual general meeting held on 10 November 2020 when 13,972,266 (99.45%) votes received were in favour, 77,886 (0.55%) were against and votes withheld were 30,697. The policy will apply until the 2023 AGM (being three years from the date of shareholder approval of the policy).

Fees are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles state the maximum aggregate amount of fees that can be paid to Directors in any year. This is currently set at £150,000 per annum and shareholder approval is required for any changes to this. The Board are seeking approval to increase this sum to £200,000 at this year's AGM. This increase will allow remuneration to keep track with inflation and also provide flexibility with Board recruitment.

The Board reviews and sets the level of Directors' fees annually, or at the time of the appointment of a new director, as provided for in the Directors' letters of appointment. The review considers a range of external information, including peer group comparisons, industry surveys, relevant independent research and any comments received from shareholders. Each Director is entitled to a base fee. The Chairman of the Board and the Chairman of the Audit Committee are paid a higher fee than the other Directors, to reflect the additional work required to carry out their roles.

No Director is entitled to any benefits in kind, share options, annual bonuses, long-term incentives, pensions or other retirement benefits or compensation for loss of office.

Directors are appointed with no fixed notice periods and are not entitled to any extra payments on resignation. It is also considered appropriate that no aspect of Directors' remuneration is performance-related in light of the Directors' non-executive status.

Directors are able to claim expenses that are incurred in respect of duties undertaken in connection with the management of the Company.

New Directors will be remunerated in accordance with this policy and will not be entitled to any payments from the Company in respect of remuneration arrangements in place with any other employers which are terminated upon appointment as a Director of the Company.

Directors' Remuneration Report

The Directors are pleased to present the Company's remuneration report for the year ended 30 June 2021, produced in accordance with the Regulations. This report is subject to an advisory vote on the level of remuneration paid during the year at each AGM. The Company's Auditor is required to audit certain information contained within this report and, where information set out below has been audited, it is clearly indicated. The Auditor's opinion is included in the Independent Auditor's report which can be found on pages 33 to 37.

The Board

During the year ended 30 June 2021, the Board consisted solely of non-executive Directors who determine their remuneration as a whole. Accordingly, a separate Remuneration Committee has not been established. The Board has not relied upon the advice or services of any external party to assist in making its remuneration decisions, although the Directors carry out reviews from time to time of the fees paid to directors of other investment trusts.

Directors' fees (audited)

The Directors who served during the year to 30 June 2021 received the following emoluments.

Director	Year ended 30 June 2021	Year ended 30 June 2020	% change in year
Diana Dyer Bartlett*	£25,500	£9,681	163.40%
Malcolm Scott**	£10,662	£27,500	(61.23%)
David Kidd	£21,500	£20,000	7.50%
Harry Morgan	£21,500	£20,000	7.50%
Russell Napier***	£26,630	£22,615	17.75%
Alan Scott	£21,500	£20,000	7.50%
	£127,292	**£119,796**	**6.26%**

* Mrs Diana Dyer Bartlett was appointed as a Director on 1 February 2020 and was appointed as Chairman of the Audit Committee on 26 February 2020.

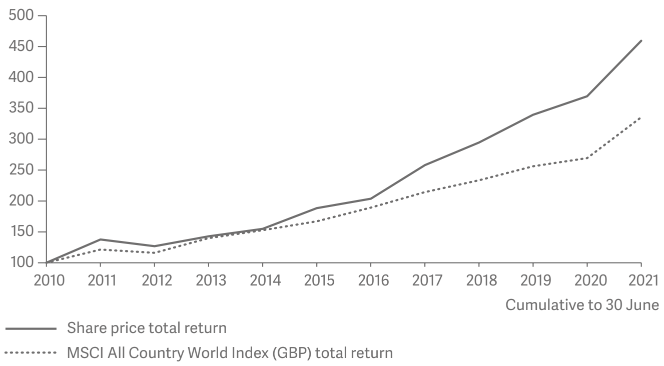
** Malcolm Scott retired as a Director on 10 November 2020.

*** Russell Napier was appointed as Chairman of the Board on 10 November 2020.

The Directors have agreed an increase in Directors' fees with effect from 1 July 2021. The Directors' fees were last increased on 1 July 2020. This was an increase to adjust for inflation only and the Board indicated their intention to bring their fee levels into line with market rates during 2021. Taking into consideration peer analysis and survey reports provided to the Board for consideration, the Directors note that the level of remuneration paid is lower than market rate.

Accordingly, the Board agreed that for the year ending 30 June 2022, the Chairman's fee should be increased to £35,000 (2021: £29,500), the Chairman of the Audit Committee's fee should be increased to £30,000 (2021: £25,500) and other Directors' fees should be increased to £25,000 (2021: £21,500). This increase will allow remuneration to keep track with comparator investment companies and inflation, and also assist Board recruitment.

Performance graph



The ten year performance graph above sets out the Company's share price total return from 1 July 2011, compared to the total return of a notional investment in the MSCI All Country World Index (GBP).

Expenditure by the Company as remuneration and distributions to Shareholders

The table below compares the remuneration paid to Directors with distributions made to shareholders during the year under review and the prior financial review:

	2021	2020
Directors' fees	£127,292	£119,796
Distributions to Shareholders		
– dividends	£3,453,425	£3,044,037
– share buybacks	£nil	£442,959

Statement of voting at the last annual general meeting

The following table sets out the votes received at the last annual general meeting of shareholders, held on 10 November 2020, in respect of the approval of the Directors' Remuneration Report:

Votes cast for		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
13,978,700	99.45	77,886	0.55	14,056,586	24,263

Directors' interests

The interests of the Directors and their connected persons in the ordinary shares of the Company at the beginning and end of the financial year were as follows:

Director	Nature of Interest	Holding as at 30 June 2021	Holding as at 1 July 2020
Diana Dyer Bartlett	Beneficial	5,337	5,293
David Kidd	Beneficial	17,500	17,500
Harry Morgan	Beneficial	13,992	13,892
Russell Napier	Beneficial	157,125	127,125
Alan Scott	Beneficial	150,000	150,000
	Beneficial trustee	138,850	138,850
Malcolm Scott*	Beneficial	N/A	581,690
	Beneficial trustee	N/A	250,000
	Trustee	N/A	63,694

* Malcolm Scott retired as a Director on 10 November 2020.

There have been no changes in the Directors' interests up to the date of signing. At no time during the year did any Director hold a material interest in any contract, arrangement or transaction with the Company.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year to 30 June 2021:

(i) the major decisions on Directors' remuneration;

(ii) any substantial changes relating to Directors' remuneration made during the year; and

(iii) the context in which the changes occurred and decisions have been taken.

The report on Directors' remuneration was approved by the Board on 2 September 2021 and signed on its behalf by the Chairman.

Russell Napier
Chairman

Statement of Directors' Responsibilities in respect of the Annual Financial Report and the Financial Statements

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing each of the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report and Corporate Governance Statement, and a Directors' Remuneration Report that complies with that law and those regulations.

The financial statements are published on a website, midwynd.com, maintained by the Company's Investment Manager, Artemis Fund Managers Limited. Responsibility for the maintenance and integrity of the corporate and financial information relating to the Company on this website has been delegated to the Investment Manager by the Directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2021 and of the profit for the year then ended; and

(b) in the opinion of the Directors, the Annual Financial Report taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy; and

(c) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board.

Russell Napier
Chairman

2 September 2021

Audit Information

Report of the Audit Committee

I am pleased to present the Report of the Audit Committee for the year ended 30 June 2021. Details of the responsibilities of the Audit Committee and our activities are described below.

Roles and responsibilities

The main responsibilities of the Audit Committee include:

- monitoring the integrity of the Company's annual and interim financial statements and any formal announcements relating to the Company's financial performance, and reviewing significant reporting judgments included therein;
- confirming to the Board whether the annual and interim financial statements, taken as a whole, are fair, balanced and understandable, and provide information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- reviewing the appropriateness and consistency of its accounting policies;
- reviewing the effectiveness of the Company's financial reporting, risk management systems and internal control policies and procedures for the identification, assessment and reporting of risks;
- reviewing and challenging the Company's going concern and viability statements;
- reviewing the need for an internal audit function;
- considering and making recommendations to the Board as regards the appointment and re-appointment of the Company's external auditor;
- reviewing the performance and effectiveness of the external auditor;
- developing and implementing a policy on the engagement of the external auditor to supply non-audit services provided to the Company by its auditors, taking into consideration relevant regulations and ethical guidance.

The Audit Committee provides a forum through which the Company's auditor reports to the Board.

Composition and meetings

All members of the Board are members of the Audit Committee other than the Chairman, Russell Napier, who with reference to guidance from the 2019 AIC Code attends as a guest.

All members of the Audit Committee are considered to have relevant and recent financial and investment experience as a result of their employment in financial services and other industries. The Chairman of the Audit Committee, Diana Dyer Bartlett is a chartered accountant and chairs the audit committees of two other listed companies.

The Committee meets at least twice each year and representatives from the Investment Manager and the Administrator may be invited to attend the meetings of the Audit Committee to report on issues as required.

The Audit Committee meets in private with representatives of the Company's auditor at least once each year to discuss any matters arising from the audit.

Activities during the year

The Audit Committee met three times during the year. At these meetings the Committee considered the Annual Financial Report, the Half-Yearly Financial Report, the Company's risk register and reviewed the Company's compliance with s1158 of the Corporation Taxes Act 2010.

The Committee considered key accounting issues, matters and judgements in relation to the Company's financial statements and disclosures relating to:

Valuation and ownership of the Company's investments

The Committee is responsible for the valuation and existence of investments. Controls are in place to ensure that valuations are appropriate, and existence is verified through reconciliations undertaken by the Depositary. The Committee confirmed that the external auditor had reviewed the valuation assumptions in accordance with the new auditing standard with regard to material estimates.

Recognition of revenue from investments

The Committee took steps to gain an understanding of the processes in place to record investment income and transactions. The Committee sought confirmation that all dividends receivable have been accounted for correctly.

Accounting policies

The current accounting policies, as set out on pages 42 to 43, have been applied consistently throughout the year.

Internal audit

The Company does not have an internal audit function and chooses to outsource this activity. The Company has no employees and considers the compliance and internal controls systems in place within the Company's third party service providers, as well as the Investment Manager's internal audit function, provide sufficient assurance that the Company does not require a separate internal audit function. This is kept under annual review by the Audit Committee.

The Audit Committee receives updates from the Investment Manager regarding any internal audits of relevance to the Company.

Internal controls and risk management

As part of the Board's review of internal controls, the Audit Committee carries out and documents a risk and control assessment, which is kept under ongoing, and at least a six monthly, review. This review includes detailed discussions on the risk environment, emerging risks and the risk tolerance of the Board which ensures the Board focuses on the key risks and their mitigating controls. The Audit Committee reports its findings and recommendations to the Board.

The Administrator and Investment Manager report to the Board, on a quarterly basis, any operational errors or breaches of law or regulation.

Going concern and viability statements

Having reviewed the Company's financial position, liabilities, principal risks and prospects, the Committee recommended to the Board that it was appropriate for the Board to prepare the financial statements on the going concern basis. Further detail is provided on page 23. The viability statement set out on page 18 was also reviewed by the Audit Committee.

Appointment and remuneration of Auditor

Johnston Carmichael LLP was appointed as Auditor to the Company on 25 March 2020 and completed the audit of the Company's financial statements for the year ended 30 June 2021. Johnston Carmichael LLP has expressed its willingness to continue in office as independent Auditor and the Board is satisfied with the effective performance demonstrated throughout the recent audit. The Board is further satisfied that Johnston Carmichael LLP remains independent and appropriate controls are in place to identify conflicts of interest should these arise. As a result, the Board is proposing a resolution seeking shareholder approval at the Annual General Meeting to re-appoint Johnston Carmichael LLP as the Company's auditor.

Audit for the year ended 30 June 2021

As part of the planning for the annual audit, the Audit Committee received the audit strategy document provided by Johnston Carmichael LLP, which highlighted the level of materiality applied by the auditor, the key perceived audit risks and the scope of the audit.

The Committee asked the Auditor to explain how it intended to demonstrate professional scepticism during the audit process and was satisfied with the response received.

Following this review, the Audit Committee considered the following significant matters communicated by the Auditor in the audit plan.

The valuation and ownership of investments was raised as a key audit matter and was addressed as follows: The Company's investments are valued in accordance with the accounting policies, and the listed investments are valued by the Company's administrator. These prices are reviewed and overseen by the Company's Investment Manager. The Depositary is responsible for holding the Company's assets in custody and verifying the ownership of these assets. The Company receives regular reports from the Depositary, including at the period end. These reports provide detail on the existence and ownership of the Company's investments. There were no issues raised by the Auditor or the Depositary concerning these matters.

Completeness and recognition of revenue were also raised as a key audit matter along with the allocation of special dividends as revenue or capital returns. The Auditor confirmed the Company had recorded all revenues due. Controls are in place with the the Investment Manager and the Custodian to ensure completeness and correct allocation.

The auditor also highlighted, during the planning process, the calculation of the investment management fee and the Company's compliance with section 1158 of the Corporation Taxes Act 2010 as other key areas considered as part of the audit. The Audit Committee receives regular reports from the Investment Manager including as at the year end date. These reports assist the Committee in tracking the Company's continuing regulatory compliance.

The Audit Committee met with representatives of the Company's auditor at the Audit Committee meeting to discuss any matters arising from the annual audit and to assess the independence and effectiveness of the external audit process.

Having reviewed amongst other things the levels of expertise of the audit staff, the amount of partner time provided, the communications with the audit manager throughout the process and discussions with the audit manager and director during the final review process, the Committee has deemed the audit effective.

An unqualified audit opinion on the financial statements has been provided, which is set out on pages 33 to 37.

Non-audit services

The Audit Committee has established a policy for the provision of non-audit services to the Company which prohibits the provision of certain services by the auditor which the Audit Committee believes would compromise auditor independence. This includes the provision of tax advice or services in relation to the maintenance of the accounting records of the Company. All other non-audit services are permitted subject to the fees earned by the auditor being no higher than 70% of the average audit fee for the last three years and where auditor knowledge would be advantageous in carrying out the service.

There were no non-audit services provided by Johnston Carmichael LLP during the year ended 30 June 2021.

Audit Committee Effectiveness

During the year the Audit Committee reviewed its effectiveness and concluded that it had discharged all its obligations as set out in the Audit Committee's terms of reference in an efficient and effective manner. The Audit Committee concluded that there were no changes required to its procedures.

Diana Dyer Bartlett
Chairman of the Audit Committee

2 September 2021

Independent Auditor's Report to the shareholders of Mid Wynd International Investment Trust PLC

Opinion

We have audited the financial statements of Mid Wynd International Investment Trust plc ("the Company"), for the year ended 30 June 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's method of assessing going concern, including consideration of market conditions and uncertainties such as COVID-19;
- reviewing and assessing the forecast cashflows and associated sensitivity testing used by the Directors in support of their going concern assessment;
- obtaining and reviewing management's assessment of the Company's ongoing maintenance of investment trust status; and
- reviewing management's assessment of the business continuity plans of the Company's main service providers.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

We planned our audit by first obtaining an understanding of the Company and its environment, including its key activities delegated by the Board to relevant approved third-party service providers and the controls over provision of those services.

We conducted our audit using information maintained and provided by Artemis Fund Managers Limited (the "Company Secretary", "Alternative Investment Fund Manager" and "Investment Manager") to whom the Company's Directors have delegated the provision of company secretarial and investment management services, and J.P. Morgan Europe Limited (the "Administrator") to whom the Company's Directors have delegated the provision of fund administration services.

We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the Administrator, the accounting processes and controls, and the industry in which the Company operates.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholders for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
Valuation and ownership of investments (as per page 31 (Report of the Audit Committee), page 42 (Accounting Policies) and pages 45 and 46 (Notes)). The key driver of the Company's net assets and total return is the valuation of the investment portfolio. The valuation of the portfolio at 30 June 2021 was £445.59m (2020: £300.46m) and comprised entirely of quoted equity investments. This is the largest component of the Company's Statement of Financial Position, accounting for 98.6% (2020: 97.5%) of net assets. There is a risk that investments held at fair value may not be actively traded and the quoted prices may not be reflective of fair value (valuation). Additionally, there is a risk that the investments recorded as held by the Company may not represent property of the Company (ownership).	■ We performed a walkthrough of the valuation process to document the design of the processes and key controls in place. ■ We reviewed controls reports provided by the Administrator and Custodian and considered whether there were any issues with the design and operation of the key controls around the valuation and ownership of investments. ■ We compared market prices and exchange rates applied to all quoted equity investments held at 30 June 2021 to an independent third-party source and recalculated the investment valuations. ■ We obtained market prices from independent third-party sources at two separate points post year end, to assess the investments held at year end are regularly traded and liquid. ■ We agreed the ownership of all quoted equity investments held at 30 June 2021 to the independently received custodian report. No material issues were noted.
Revenue recognition, including allocation of special dividends as revenue or capital returns (as per page 31 (Report of the Audit Committee), page 43 (Accounting Policies) and page 43 (Notes)). The total income for the year to 30 June 2021 was £5.29m (2020: £4.60m) consisting primarily of dividends received from quoted investments of £5.28m (2020: £4.50m). The Company's accounting policy is to recognise dividend income on an ex-dividend basis. There is a risk that income recognised may not be complete and that accrued income may not be recoverable. Additionally, judgement is required in determining the allocation of special dividends as revenue or capital returns in the Statement of Comprehensive Income. During the year the Company received no special dividends.	■ We performed a walkthrough of the revenue recognition process (including the process for allocating special dividends as revenue or capital returns) to document the design of the process and key controls in place. ■ We reviewed controls reports provided by the Administrator and the Investment Manager and considered whether there were any issues with the design and operation of the key controls around the recognition of investment income. ■ We confirmed that income is recognised in accordance with the AIC SORP. ■ We formed an expectation of dividends due, based on holdings throughout the year and announcements made by investee companies and compared this against dividends recognised, paying particular attention to dividends announced either side of year end. ■ We agreed a sample of investment income recognised to bank statements. ■ We assessed the withholding tax on foreign income to ensure it has been calculated correctly and that debtors recognised for recoverable withholding tax are appropriate. ■ We reviewed the split of returns from US REITs to ensure that upon initial recognition they have been accounted for in line with the policy to capture 70% as revenue and 30% as capital, and upon market announcement that an adjustment has been made to amend the split in line with the announcement. ■ We reviewed all dividend announcements throughout the year and confirmed that no special dividends were receivable during the year. No material issues were identified.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Materiality measure	Value
Overall materiality – we have set materiality as 1% of net assets as we believe that net assets is the primary performance measure used by investors and is the key driver of shareholder value. It is also the standard industry benchmark for materiality for investment trusts. This is our materiality for the financial statements as a whole.	£4.52m.
Performance materiality – performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting this we consider the Company's overall control environment and risk of material misstatement and based on our judgement of these factors, have set this at 75% of our overall materiality.	£3.39m
Specific materiality – recognising that there are transactions and balances of a lesser amount which could influence the understanding users of the financial statements we calculate a lower level of materiality for testing such areas. Specifically, given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income, set as the higher of 5% of the net revenue return on ordinary activities before tax, and our Audit Committee reporting threshold defined below.	£0.23m
Audit Committee reporting threshold – we agreed with the Audit Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.	£0.23m

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and these reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Company.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 18;
- the Directors' statement on fair, balanced and understandable set out on page 30;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 16;
- the section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on pages 26 and 27; and
- the section describing the work of the Audit Committee set out on pages 31 and 32.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent the audit was considered capable of detecting irregularities, including fraud

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with those charged with governance of the Company.

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation to the allocation of special dividends as revenue or capital and inappropriate journal entries to increase revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with section 1158 of the Corporation Tax Act 2010. We also considered compliance with the Companies Act 2006 and the Listing Rules.

Audit procedures performed in response to these risks included:

- evaluation of the controls implemented by the Company and its key service providers designed to prevent and detect irregularities;
- discussions with the Audit Committee, the Investment Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- assessing the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments, and revenue recognition. Further discussion of our approach is set out in the section on key audit matters above;
- detailed review of all dividend announcements throughout the year to confirm that no special dividends were receivable during the year;
- recalculation of the investment management fee;
- reperformance of the calculations to confirm the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010;
- using appropriate checklists and our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules;
- agreeing financial statement disclosures to supporting documentation; and
- review of accounting journals during the year and up to the date of our audit fieldwork.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 25 March 2020 to audit the financial statements for the year ending 30 June 2020 and subsequent financial periods. The period of our total uninterrupted engagement is two years, covering the years ended 30 June 2020 to 30 June 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Holmes (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom

2 September 2021

Financial Statements

Statement of Comprehensive Income
For the year ended 30 June

	Notes	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Gains on investments	9	–	78,606	78,606	–	27,784	27,784
Currency gains/(losses)	14	–	428	428	–	(87)	(87)
Income	3	5,294	–	5,294	4,599	–	4,599
Investment management fee		(480)	(1,440)	(1,920)	(327)	(980)	(1,307)
Other expenses	4	(408)	(8)	(416)	(433)	(34)	(467)
Net return before finance costs and taxation		**4,406**	**77,586**	**81,992**	**3,839**	**26,683**	**30,522**
Finance costs of borrowings	5	(55)	(165)	(220)	(51)	(153)	(204)
Net return on ordinary activities before taxation		**4,351**	**77,421**	**81,772**	**3,788**	**26,530**	**30,318**
Taxation on ordinary activities	6	(550)	–	(550)	(458)	–	(458)
Net return on ordinary activities after taxation		**3,801**	**77,421**	**81,222**	**3,330**	**26,530**	**29,860**
Net return per ordinary share	8	**6.81p**	**138.63p**	**145.44p**	**7.38p**	**58.78p**	**66.16p**

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items in this statement derive from continuing operations.

The net return for the year disclosed above represents the Company's total comprehensive income.

The accompanying notes on pages 42 to 52 are an integral part of the financial statements.

Statement of Financial Position
As at 30 June

	Notes	2021 £'000	2020 £'000
Non-current assets			
Investments held at fair value through profit or loss	9	445,592	300,457
Current assets			
Debtors	10	596	3,683
Cash and cash equivalents	11	16,556	14,716
		17,152	18,399
Creditors			
Amounts falling due within one year	12	(10,651)	(10,813)
Net current assets		**6,501**	**7,586**
Total net assets		**452,093**	**308,043**
Capital and reserves			
Called up share capital	13	2,997	2,515
Capital redemption reserve	14	16	16
Share premium	14	191,253	125,454
Capital reserve	14	253,638	176,217
Revenue reserve	14	4,189	3,841
Shareholders' funds		**452,093**	**308,043**
Net asset value per ordinary share	15	**754.43p**	**612.61p**

These financial statements were approved by the Board of Directors and signed on its behalf on 2 September 2021.

Russell Napier
Chairman

The accompanying notes on pages 42 to 52 are an integral part of the financial statements.

Registered in Scotland. Registration number: SC042651

Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve* £'000	Revenue reserve* £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2020		2,515	16	125,454	176,217	3,841	308,043
Net return on ordinary activities after taxation		–	–	–	77,421	3,801	81,222
Issue of new shares (net of costs)	13	482	–	65,799	–	–	66,281
Dividends paid	7	–	–	–	–	(3,453)	(3,453)
Shareholders' funds at 30 June 2021	14	**2,997**	**16**	**191,253**	**253,638**	**4,189**	**452,093**

For the year ended 30 June 2020

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve* £'000	Revenue reserve* £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2019		2,044	16	70,782	149,687	3,555	226,084
Net return on ordinary activities after taxation		–	–	–	26,530	3,330	29,860
Issue of new shares (net of costs)	13	471	–	54,619	–	–	55,090
Issue of shares from treasury	13	–	–	53	450	–	503
Repurchase of ordinary shares into treasury		–	–	–	(450)	–	(450)
Dividends paid	7	–	–	–	–	(3,044)	(3,044)
Shareholders' funds at 30 June 2020	14	**2,515**	**16**	**125,454**	**176,217**	**3,841**	**308,043**

* Including distributable realised capital reserves of £175,347,000 (2020: £125,818,000) and distributable revenue reserves of £4,189,000 (2020: £3,841,000).

The accompanying notes on pages 42 to 52 are an integral part of the financial statements.

Statement of Cash Flows
For the year ended 30 June

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash generated in operations	16		2,575		2,160
Interest received	3	17		96	
Interest paid	5	(220)		(204)	
			(203)		(108)
Net cash generated from operating activities			**2,372**		**2,052**
Cash flow from investing activities					
Purchase of investments		(530,125)		(399,065)	
Sale of investments		465,478		350,140	
Realised currency (losses)/gains		(305)		240	
Net cash used in investing activities			**(64,952)**		**(48,685)**
Cash flow from financing activities					
Issue of new shares, net of costs		66,592		54,779	
Issue of shares from treasury		–		503	
Repurchase of shares into treasury		–		(450)	
Dividends paid	7	(3,453)		(3,044)	
Net drawdown of credit facility		1,176		4,056	
Net cash generated from financing activities			**64,315**		**55,844**
Net increase in cash and cash equivalents			**1,735**		**9,211**
Cash and cash equivalents at start of the year			**14,716**		**5,529**
Increase in cash in the year			1,735		9,211
Unrealised currency gains/(losses) on cash and cash equivalents			105		(24)
Cash and cash equivalents at end of the year			**16,556**		**14,716**

The accompanying notes on pages 42 to 52 are an integral part of the financial statements.

Notes to the Financial Statements

1. General information

Mid Wynd International Investment Trust PLC is an investment trust company domiciled in the United Kingdom and incorporated in Scotland.

The address of its registered office is 6th Floor, Exchange Plaza, 50 Lothian Road Edinburgh, EH3 9BY. The ordinary shares of the Company are premium listed on the London Stock Exchange. The Company's registered number is SC042651.

2. Accounting policies

(a) Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention modified to include the revaluation of investments.

The financial statements have been prepared in accordance with the Companies Act 2006, applicable United Kingdom accounting standards, including Financial Reporting Standard ('FRS') 102, and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies (the 'AIC') in October 2019.

In order to better reflect the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Statement of Comprehensive Income.

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

No significant estimates or judgements have been made in the preparation of the financial statements.

The Directors consider the Company's functional currency to be Sterling as the Company's shareholders are predominantly based in the UK and the Company is subject to the UK's regulatory environment.

(b) Investments

Purchases and sales of investments are accounted for on a trade date basis. Investments are designated as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value. The fair value of listed investments is bid value or last traded prices for holdings on certain recognised overseas exchanges.

The fair value of unquoted investments uses valuation techniques, determined by the Directors, based upon latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate, and in accordance with the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as gains/ (losses) on investments. Also included within this caption are transaction costs in relation to the purchase or sale of investments. Assets are derecognised at the trade date of the disposal.

Proceeds are measured at fair value which are regarded as the proceeds of sale less any transaction costs.

(c) Derivatives

The Company may use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating risk in its investments and protection against currency risk) and to achieve capital growth. Such instruments are recognised on the date of the contract that creates the Company's obligation to pay or receive cash flows and are measured as financial assets or liabilities at fair value at subsequent reporting dates, while the relevant contracts remain open. The fair value is determined by reference to the open market value of the contract. Where the investment rationale for the use of derivatives is to hedge specific risks pertaining to the Company's portfolio composition, hedge accounting will only be adopted where the derivative instrument relates specifically to a single item, or group of items, of equal and opposite financial exposure, and where the derivative instrument has been explicitly designated as a hedge of such item(s) at the date of initial recognition. In all other circumstances changes in the fair value of derivative instruments are recognised immediately in the Statement of Comprehensive Income as capital or revenue as appropriate.

(d) Financial instruments

In addition to the investment transactions described above, the Company enters into basic financial instruments that result in recognition of other financial assets and liabilities, such as sales and purchases for subsequent settlement, investment income due but not received and other debtors and other creditors. These financial instruments are receivable and payable and are stated at cost less impairment.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Income

Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Unfranked investment income includes the taxes deducted at source. Franked investment income is stated net of tax credits. If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital. Special dividends are reviewed on a case by case basis when determining if a dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Interest from fixed interest securities is recognised on an effective interest rate basis. Interest receivable on deposits is recognised on an accruals basis.

(g) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue reserve except where they relate directly to the acquisition or disposal of an investment, in which case they are added to the cost of the investment or deducted from the sale proceeds, and where they are connected with the maintenance or enhancement of the value of investments are charged to the capital reserve. Management fees are accounted for on an accruals basis and allocated 25% to the revenue reserve and 75% to the capital reserve. Costs arising from the filing of claims to reclaim tax on overseas dividends have been deducted from the revenue reserve.

(h) Finance costs

Loan interest is accounted for on an accruals basis and has been allocated 25% to the revenue reserve and 75% to the capital reserve.

(i) Deferred taxation

Deferred taxation is provided on all timing differences which have originated but not reversed by the date of the Statement of Financial Position, calculated at the current tax rate relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more probable than not that there will be taxable profits from which underlying timing differences can be deducted.

(j) Foreign currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Monetary assets and liabilities in foreign currencies are translated at the closing rates of exchange at the date of the Statement of Financial Position, with the exception of forward currency contracts which are valued at the forward rate on that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or revenue reserve as appropriate.

(k) Capital reserve

Gains and losses on sales of investments, exchange differences of a capital nature and the amount by which the fair value of assets and liabilities differs from their book value are dealt with in this reserve. 75% of investment management fees and finance costs together with any associated tax relief are allocated to the capital reserve in accordance with the Company's investment objective of achieving capital and income growth. Purchases of the Company's own shares that are held in treasury are also funded from this reserve. When shares are reissued from treasury an amount equal to the weighted average purchase price paid for the shares is recognised in this reserve with any excess over this price recognised in share premium.

(l) Segmental reporting

The Company has only one material segment of business being that of an investment trust company.

3. Income

	2021 £'000	2020 £'000
Income from investments		
Overseas dividends	4,849	3,939
UK dividends	428	564
	5,277	**4,503**
Other income		
Bank interest	17	96
Total income	**5,294**	**4,599**
Total income comprises:		
Dividends and UK interest from financial assets designated at fair value through profit or loss	5,277	4,503
Other income	17	96
Total income	**5,294**	**4,599**

4. Other expenses

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Directors' remuneration	127	–	127	120	–	120
Depositary fees	57	–	57	39	–	39
Custody fees	39	8	47	23	8	31
Registrar fees	27	–	27	19	–	19
Auditor's remuneration	27	–	27	27	–	27
Printing fees	16	–	16	24	–	24
Directors' & officers' insurance	12	–	12	6	–	6
Stock exchange fees	8	–	8	67	–	67
Other expenses	95	–	95	108	26	134
Total expenses	**408**	**8**	**416**	**433**	**34**	**467**

5. Finance costs of borrowings

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Loan interest	28	84	112	34	103	137
Loan non-utilisation fee	22	66	88	15	45	60
Bank overdraft Interest	5	15	20	2	5	7
Total finance costs	**55**	**165**	**220**	**51**	**153**	**204**

6. Taxation on ordinary activities

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Overseas taxation	550	–	550	458	–	458
Total tax	**550**	**–**	**550**	**458**	**–**	**458**

The tax charge for the year is lower than the average standard rate of corporation tax in the UK (19.00%). The differences are explained below:

	2021 £'000	2020 £'000
Net return on ordinary activities before taxation	81,772	30,318
Net return on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	15,537	5,761
Effects of:		
Overseas tax – non offsettable	550	458
Taxable losses in the year not utilised	419	330
Double taxation relief expensed	(9)	(4)
Income not taxable (UK dividends)	(82)	(107)
Income not taxable (overseas dividends)	(849)	(717)
Capital returns not taxable	(15,016)	(5,263)
Current tax charge for the year	**550**	**458**

Factors that may affect future tax charges

At 30 June 2021 the Company had a potential deferred tax asset of £1,792,000 (2020: £1,246,000) in respect of taxable losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised on these losses as it is considered unlikely that the Company will make suitable taxable revenue profits in excess of deductible expenses in future periods. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

7. Dividends paid and proposed

	2021	2020	2021 £'000	2020 £'000
Amounts recognised as distributions in the year:				
Previous year's final dividend	3.12p	3.85p	1,652	1,634
First interim dividend	3.10p	3.00p	1,801	1,410
Total dividend	**6.22p**	**6.85p**	**3,453**	**3,044**

Set out below are the total dividends paid and payable in respect of the financial year. The revenue available for distribution by way of dividend for the year is £3,801,000 (2020: £3,330,000). The dividend paid in the financial year to 30 June 2020 is higher than the current financial year. The Board rebalanced dividend payments during 2020 so that a greater proportion of the annual dividend is now paid at the interim stage. The dividends payable in respect of 2021 exceeded those in respect of 2020 as seen below.

	2021	2020	2021 £'000	2020 £'000
Dividends paid and payable in respect of the year:				
First interim dividend	3.10p	3.00p	1,801	1,410
Proposed final dividend	3.30p	3.12p	1,977	1,569
Total dividend	**6.40p**	**6.12p**	**3,778**	**2,979**

8. Net return per ordinary share

	2021 Revenue	2021 Capital	2021 Total	2020 Revenue	2020 Capital	2020 Total
Net return on ordinary activities after taxation	6.81p	138.63p	145.44p	7.38p	58.78p	66.16p

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation for the financial year of £3,801,000 (2020: £3,330,000), and on 55,845,969 (2020: 45,134,883) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Capital return per ordinary share is based on the net capital return on ordinary activities after taxation for the financial year of £77,421,000 (2020: £26,530,000), and on 55,845,969 (2020: 45,134,883) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

9. Fixed assets – investments

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition in accordance with FRS 102. The following tables provide an analysis of these investments based on the fair value hierarchy as described below which reflects the reliability and significance of the information used to measure their fair value.

The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – investments using unadjusted quoted prices for identical instruments in an active market;

Level 2 – investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;

Level 3 – investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Quoted (Level 1)	445,592	300,457
Total financial asset investments	**445,592**	**300,457**

9. Fixed assets – investments (continued)

	Year ended 30 June 2021		Year ended 30 June 2020
	Level 1 £'000	Total £'000	Total £'000
Opening book cost	249,798	249,798	188,140
Fair value adjustment at 30 June 2020	50,659	50,659	37,109
Valuation at 30 June 2020	**300,457**	**300,457**	**225,249**
Purchases at cost	529,215	529,215	399,497
Disposals – proceeds	(462,686)	(462,686)	(352,073)
Gains on investments	78,606	78,606	27,784
Valuation as at 30 June 2021	**445,592**	**445,592**	**300,457**
Book cost at 30 June 2021	367,405	367,405	249,798
Fair value adjustment	78,187	78,187	50,659
Valuation as at 30 June 2021	**445,592**	**445,592**	**300,457**

The purchases and sales proceeds figures above include transaction costs of £485,000 on purchases (2020: £387,000) and £149,000 on sales (2020: £117,000), making a total of £634,000 (2020: £504,000).

The Company received £462,686,000 (2020: £352,073,000) from investments sold in the year. The book cost of these investments when they were purchased was £411,608,000 (2020: £337,839,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

10. Debtors

	2021 £'000	2020 £'000
Sales for subsequent settlement	–	2,792
Income accrued (net of irrecoverable overseas withholding tax)	307	404
Issue of Company's own shares awaiting settlement	–	311
Other debtors and prepayments	289	176
Total debtors	**596**	**3,683**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of the debtors is a reasonable approximation of fair value.

11. Cash and cash equivalents

	2021 £'000	2020 £'000
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund	14,174	12,346
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund	926	2,305
Cash and bank balances	1,456	65
	16,556	**14,716**

12. Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans	9,949	9,401
Purchases for subsequent settlement	–	910
Other creditors and accruals	702	502
Total creditors	**10,651**	**10,813**

The Company has a three year multi-currency revolving credit facility with The Bank of Nova Scotia for US$60 million (2020: US$30 million), terminating in February 2024. Further information can be found in note 20.

13. Called up share capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
Allotted, called up and fully paid ordinary shares of 5 pence each	59,925,114	2,997	50,284,114	2,515
Total	**59,925,114**	**2,997**	**50,284,114**	**2,515**

During the year ended 30 June 2021, the Company had no movements in ordinary shares held in treasury (2020: 97,302 shares were bought back at a total cost of £450,000 into treasury and a total of 97,302 shares were issued from treasury for gross proceeds of £503,000).

The Company allotted 9,641,000 (2020: 9,412,698) new ordinary shares for gross proceeds of £66,498,000 (2020: £55,187,000) during the year ended 30 June 2021.

The movements in ordinary shares held in treasury during the year are as follows:

	2021 Number	2021 £'000	2020 Number	2020 £'000
Issue of shares from treasury	–	–	(97,302)	(5)
Repurchase of shares into treasury	–	–	97,302	5
Balance carried forward	**–**	**–**	**–**	**–**

14. Capital and reserves

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 July 2020	2,515	16	125,454	176,217	3,841	308,043
Gains on sales of investments	–	–	–	51,078	–	51,078
Currency gain on bank loans	–	–	–	487	–	487
Realised gains on repayment of loans	–	–	–	141	–	141
Finance costs charged to capital	–	–	–	(165)	–	(165)
Other currency losses	–	–	–	(200)	–	(200)
Expenses charged to capital	–	–	–	(1,448)	–	(1,448)
Issue of new shares	482	–	65,799	–	–	66,281
Changes in unrealised gains	–	–	–	27,528	–	27,528
Revenue return on ordinary activities after taxation	–	–	–	–	3,801	3,801
Dividends paid	–	–	–	–	(3,453)	(3,453)
At 30 June 2021	**2,997**	**16**	**191,253**	**253,638**	**4,189**	**452,093**

The capital reserve includes unrealised gains on fixed asset investments of £78,187,000 (2020: £50,659,000) as disclosed in note 9.

The capital reserve and the revenue reserve are distributable by way of dividend.

15. Net asset value per ordinary share

The net asset value per ordinary share and the net assets attributable to the ordinary shareholders at the year end were as follows:

	2021 Net asset value per share	2021 Net assets £'000	2020 Net asset value per share	2020 Net assets £'000
Ordinary shares	754.43p	452,093	612.61p	308,043

15. Net asset value per ordinary share (continued)

During the year the movements in the assets attributable to shareholders were as follows:

	2021 £'000	2020 £'000
Total net assets at 1 July	308,043	226,084
Total recognised gains for the year	81,222	29,860
Issue of new shares	66,281	55,090
Repurchase of ordinary shares into treasury	–	(450)
Issue of shares from treasury	–	503
Dividends paid	(3,453)	(3,044)
Total net assets at 30 June	**452,093**	**308,043**

Net asset value per ordinary share is based on net assets as shown above and on 59,925,114 (2020: 50,284,114) ordinary shares, being the number of ordinary shares in issue at the year end.

16. Reconciliation of net return before finance costs and taxation to cash generated from operations

	2021 £'000	2020 £'000
Net return before finance costs and taxation	81,992	30,522
Gains on investments	(78,606)	(27,784)
Currency (gains)/losses	(428)	87
Increase in accrued income and other debtors	(16)	(284)
Interest received	(17)	(96)
Increase in creditors	200	173
Overseas tax suffered	(550)	(458)
Cash generated from operations	**2,575**	**2,160**

17. Analysis of changes in net cash

	At 1 July 2020 £'000	Cashflow £'000	Exchange movements £'000	At 30 June 2021 £'000
Cash and cash equivalents	14,716	1,735	105	16,556
Debt due within one year	(9,401)	(1,176)	628	(9,949)
Total	**5,315**	**559**	**733**	**6,607**

18. Contingent liabilities, guarantees and financial commitments

At 30 June 2021 and 30 June 2020 the Company had no contingent liabilities, guarantees or financial commitments.

19. Transactions with the Investment Manager and related parties

The amounts paid to the Investment Manager and amounts outstanding at the year end are disclosed in the Statement of Comprehensive Income on page 38. The existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore the Investment Manager is not considered to be a related party.

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 28 and 29.

20. Financial Instruments

As an investment trust, the Company invests in equities and makes other investments so as to meet its investment objective of achieving capital and income growth by investing on a worldwide basis. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposure to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short-term volatility.

The Company may enter into derivative transactions as explained in the investment policy on page 42. In the period under review the Company did not enter into any forward foreign exchange contracts. At the year end there were no open positions (2020: no open positions).

Market risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board reviews and agrees policies for managing these risks and the Company's Investment Manager assesses the exposure to market risk when making individual investment decisions and monitors the overall level of market risk across the investment portfolio on an ongoing basis. Details of the Company's investment portfolio are shown in note 9 and on pages 11 and 12.

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than Sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the Sterling value of those items.

The Investment Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. The Investment Manager assesses the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings may limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

At 30 June 2021	Investments £'000	Cash and cash equivalents £'000	Bank loan £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	263,182	14,174	(6,515)	(14)	270,827
Japanese yen	51,853	203	–	115	52,171
Euro	35,434	1,219	(3,434)	72	33,291
Swiss franc	15,084	–	–	–	15,084
Singapore dollar	14,300	52	–	–	14,352
Korean won	13,295	–	–	20	13,315
Danish krone	8,706	–	–	10	8,716
Taiwan dollar	7,680	–	–	51	7,731
Swedish Krona	6,088	–	–	–	6,088
Hong Kong dollar	3,188	–	–	–	3,188
Norwegian krone	2,734	–	–	–	2,734
Mexican Peso	2,421	(41)	–	–	2,380
Chinese Yuan	–	–	–	71	71
Thai Baht	–	23	–	–	23
Total exposure to currency risk	**423,965**	**15,630**	**(9,949)**	**325**	**429,971**
Sterling	21,627	926	–	(431)	22,122
Total	**445,592**	**16,556**	**(9,949)**	**(106)**	**452,093**

20. Financial Instruments (continued)

At 30 June 2020	Investments £'000	Cash and cash equivalents £'000	Bank loan £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	179,814	12,346	(4,856)	1,933	189,237
Japanese yen	38,128	–	–	20	38,148
Euro	34,953	65	(4,545)	125	30,598
Hong Kong dollar	11,086	–	–	–	11,086
Swiss franc	9,977	–	–	53	10,030
Korean won	5,316	–	–	19	5,335
Taiwan dollar	4,816	–	–	41	4,857
Singapore dollar	2,948	–	–	–	2,948
Danish krone	2,946	–	–	11	2,957
Australian Dollar	2,314	–	–	–	2,314
Norwegian krone	–	–	–	5	5
Total exposure to currency risk	**292,298**	**12,411**	**(9,401)**	**2,207**	**297,515**
Sterling	8,159	2,305	–	64	10,528
Total	**300,457**	**14,716**	**(9,401)**	**2,271**	**308,043**

Currency risk sensitivity

At 30 June 2021, if Sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below.

A 5% weakening of Sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the amounts included in the financial statements. The analysis is performed on the same basis as for 2020.

	2021 £'000	2020 £'000
US dollar	13,541	9,462
Japanese yen	2,609	1,907
Euro	1,665	1,530
Swiss franc	754	502
Singapore dollar	718	147
Korean won	666	267
Danish krone	436	148
Taiwan dollar	387	243
Swedish Krona	304	–
Hong Kong dollar	159	554
Norwegian krone	137	–
Mexican Peso	119	–
Chinese Yuan	4	
Thai Baht	1	–
Australian Dollar	–	116
	21,500	**14,876**

(ii) Interest rate risk

Interest rate movements may affect directly:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits; and
- the interest payable on the value of the Company's borrowings.

Interest rate movements may also impact the market value of the Company's investments outwith fixed income securities.

The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering into borrowing agreements.

20. Financial Instruments (continued)

The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The interest rate risk profile of the Company's financial assets and liabilities at 30 June 2021 and 30 June 2020 is shown below.

Financial assets

The Company's cash balances are maintained in US Dollar and Sterling Liquidity Funds. The interest received is determined by the interest rate in the relevant country of the currency.

Financial liabilities

The interest rate risk profile of the Company's bank loan is shown below.

Interest rate exposure

	2021 £'000	2020 £'000
Euro	3,434	4,545
US dollar	6,515	4,856
Total exposure	**9,949**	**9,401**

The Company has a three year multi-currency revolving credit facility with The Bank of Nova Scotia (UK Branch) for US$60 million terminating on 19 February 2024.

The Company pays interest separately on each currency drawn down. Interest is charged on each currency at variable rates equivalent to 1.05% over the relevant currency LIBOR i.e. Sterling, US dollar and Japanese yen, and the Euro interbank offered rate (EURIBOR) is used for Euro.

US$9.0 million (£6.5 million) was drawn down at 30 June 2021. Interest is charged at variable rates equivalent to 1.30% over the US dollar LIBOR. The interest rate as at 30 June 2021 was 1.45%.

€4.0 million (£3.4 million) was drawn down at 30 June 2021. Interest is charged at variable rates equivalent to 1.30% over EURIBOR. The interest rate as at 30 June 2021 was 1.30%.

The main covenants relating to the revolving credit facility are:

(i) Total borrowings shall not exceed 33.33% (2020: 33.33%) of the Company's investment portfolio.

(ii) The Company's minimum net asset value shall be £170 million (2020: £77 million).

Interest rate risk sensitivity

As the majority of the Company's financial assets are non-interest bearing and the loan can be repaid within the next 12 months the exposure to fair value interest rate fluctuations is limited.

(iii) Other price risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets.

The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the index. Investments are selected based upon the merit of individual companies and therefore performance may well diverge from short term fluctuations in the comparative index.

Other price risk sensitivity

Investments are valued at bid prices which equate to their fair value. A full list of the Company's investments is given on pages 11 and 12. In addition, an analysis of the investment portfolio by geographical split is given on page 13. A 5% increase in quoted valuations at 30 June 2021 would have increased total assets, and the total return on ordinary activities after taxation by £22,280,000 (2020: £15,023,000). A decrease of 5% would have had an equal but opposite effect.

20. Financial Instruments (continued)

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Alternative Investment Fund Manager ('AIFM') has a liquidity management policy for the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's expected outflows, which include share buy backs, dividends and operational expenses. This policy involves an assessment of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors.

This requires the AIFM to identify and monitor investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in unquoted companies. None of the Company's investments were unquoted in the current year or prior year. The quoted companies in the portfolio are generally deemed to be liquid but from time to time, however, liquidity in these holdings may be affected by wider economic events. The Company's portfolio is monitored on an ongoing basis to ensure that it is adequately diversified and liquid. The AIFM's liquidity management policy is reviewed on at least an annual basis and updated, as required.

There have been no material changes to the liquidity management systems and procedures during the year. In addition, none of the Company's assets are subject to special arrangements arising from their illiquid nature.

The Company has the power to enter into borrowings, which gives it access to additional funding when required.

Credit and counterparty risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

- The Company's quoted investments and cash are held on its behalf by J.P. Morgan Chase Bank N.A. the Company's Custodian and Banker. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed. The Investment Manager monitors the Company's risk by reviewing the Custodian's internal control reports and reporting on their findings to the Board.
- Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.
- Transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Investment Manager of the creditworthiness of that counterparty.

Fair value of financial assets and financial liabilities

The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the balance sheet.

Capital management

The capital of the Company is its share capital and reserves as set out in notes 13 and 14 together with its borrowings (see note 12). The objective of the Company is to achieve capital and income growth by investing on a worldwide basis. The Company's investment policy is set out in page 14. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 16 to 18. The Company has the ability to issue and buy back its shares (see page 18) and changes to the share capital during the year are set out in note 13. The Company does not have any externally imposed capital requirements.

21. Post Balance Sheet Event

As at 2 September 2021, a further 805,000 ordinary shares with a gross proceeds value of £6,572,000 have been issued since the year end.

Important information regarding arrangements for the Annual General Meeting ('AGM')

This year's AGM will be held on Tuesday 9 November 2021 at 12.00 noon at the offices of Artemis Fund Managers Limited, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh, EH3 9BY. We very much hope to be able to welcome shareholders in person this year. We are proposing to hold a physical meeting but ask that shareholders wishing to attend the AGM in person should register their intention as soon as practicable with the Company Secretary by emailing midwyndchairman@artemisfunds.com. Attendance in person will only be permitted if you have registered in advance by e-mail and provided contact details. We also encourage those shareholders not attending to e-mail any questions in advance to midwyndchairman@artemisfunds.com. Attendance at the physical meeting may still be restricted, depending on the UK Government guidelines in place at the time. If we are unable to accommodate shareholders we will make an RNS to this effect and contact those shareholders who had noted they wished to attend.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Mid Wynd International Investment Trust PLC will be held at 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh, EH3 9BY on Tuesday, 9 November 2021 at 12.00 noon (the 'Meeting') for the following purposes:

Ordinary Business

To consider and, if thought fit, pass Resolutions 1 to 11 (inclusive) which will be proposed as ordinary resolutions:

1. To receive and adopt the Annual Financial Report of the Company for the year ended 30 June 2021 together with the Report of the Directors.
2. To approve the Directors' Remuneration Report for the year ended 30 June 2021.
3. To approve a final dividend of 3.30 pence per ordinary share for the year ended 30 June 2021.
4. To re-elect David Kidd as a Director of the Company.
5. To re-elect Harry Morgan as a Director of the Company.
6. To re-elect Russell Napier as a Director of the Company.
7. To re-elect Alan Scott as a Director of the Company.
8. To re-elect Diana Dyer Bartlett as a Director of the Company.
9. To re-appoint Johnston Carmichael LLP as Auditor of the Company to hold office from the conclusion of the Meeting until the conclusion of the next meeting at which the financial statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of the Auditor.
11. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot new shares in the Company and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company (such shares and rights together being 'Securities') up to an aggregate nominal value of £1,011,156, being equal to approximately 33.3% of the Company's issued share capital (excluding treasury shares) as at 2 September 2021, to such persons and on such terms as the Directors may determine, such authority to expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, to pass Resolutions 12 to 15, which will be proposed as special resolutions:

12. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised pursuant to Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of any of its ordinary shares in the capital of the Company in such manner and upon such terms as the Directors of the Company may from time to time determine, provided that:
    (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 9,103,444, or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date on which this resolution is passed;
    (b) the minimum price which may be paid for any ordinary share is the nominal value thereof;
    (c) the maximum price which may be paid for any ordinary share shall not be more than the higher of:
        (i) 5% above the average of the middle market quotations for an ordinary share (as derived from the Daily Official List of the London Stock Exchange) over the five business days immediately preceding the date of purchase; and
        (ii) the higher of the price of the last independent trade in ordinary shares and the highest current independent bid for such shares on the London Stock Exchange; and

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

Special Business

13. That, subject to the passing of Resolution 12, above (the 'Section 551 Resolution'), but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (as defined in Section 560(1) of the Act), for cash pursuant to the authority given by the Section 551 Resolution or by way of a sale of treasury shares (as defined in Section 560(3) of the Act), in each case as if Section 561(1) of the Act did not apply to any such allotment of equity securities or sale of treasury shares, provided that this power:

(a) shall be limited to the allotment of equity securities or sale of treasury shares in connection with an offer of such securities to the holders of shares in the capital of the Company in proportion (as nearly as may be) to their respective holdings of such shares but subject to such exclusions, limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever; or

(b) shall be limited to the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) of this resolution) up to an aggregate nominal value of £455,475 being approximately 15% of the nominal value of the issued share capital of the Company (excluding treasury shares), as at 2 September 2021; and

(c) expires at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, save that the Company may, before such expiry, make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

14. That the Articles of Association produced to the Meeting and signed by the Chairman of the Meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the Meeting.

15. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next annual general meeting of the Company.

By order of the Board

Artemis Fund Managers Limited
Company Secretary
2 September 2021

Registered Office:
6th Floor, Exchange Plaza,
50 Lothian Road
Edinburgh, EH3 9BY

Notes

1. Attending the Meeting in person

   Please follow the guidance outlined on page 53 regarding registering your intention to attend the Meeting. If you wish to attend the Meeting in person, you should arrive at the venue for the Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the Meeting.

2. Appointment of proxies

   Members are entitled to appoint one or more proxies to exercise all or any of their rights. A proxy need not be a member of the Company. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact Computershare on 0370 707 1186 (calls to this number are charged at 2 pence per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday).

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the Meeting by marking the "vote withheld" option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

   Appointing the Chairman of the Meeting will ensure your vote will be registered.

3. Appointment of a proxy using a proxy form

   A proxy form for use in connection with the Meeting is enclosed. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Computershare Investor Services PLC, The Pavilions, Bristol BS99 6ZY or eproxyappointment.com no later than 48 hours (excluding non-working days) before the time of the Meeting or any adjournment of that meeting.

   If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on 0370 707 1186 (calls to this number are charged at 2 pence per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday).

4. Appointment of a proxy through CREST

   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid be transmitted so as to be received by the Registrar (ID 3RA50) no later than 48 hours (excluding non-working days) before the time of the Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s). Appointing the Chairman of the meeting will ensure your vote will be registered.

7. Entitlement to attend and vote

To be entitled to attend and vote at the Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 pm on 6 November 2021 (or, if the Meeting is adjourned, at 6.00 pm two working days prior to the adjourned meeting).

Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Meeting.

Please see note 1 regarding attendance at this year's AGM.

8. Nominated persons

Any person to whom this notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Forms of proxy

A personalised form of proxy will be sent to each registered shareholder with the Annual Financial Report and instructions on how to vote will be contained therein.

10. Website giving information regarding the Meeting

Information regarding the Meeting, including information required by Section 311A of the Act, and a copy of this Notice of Meeting is available on the website: midwynd.com.

11. Voting rights

As at 2 September 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 60,730,114 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 2 September 2021 were 60,730,114 votes.

12. Notification of shareholdings

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the General Meeting as his proxy will need to ensure that they both comply with their respective disclosure obligations under the UK Disclosure Rules and Transparency Rules.

If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast, and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's ordinary shares already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Rules and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Rules and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

13. Members' right to require circulation of resolution to be proposed at the Meeting

Members meeting the threshold requirements set out in the Act have the right to: (a) require the Company to give notice of any resolution which can properly be, and is to be, moved at the Meeting pursuant to Section 338 of the Act; and/or (b) include a matter in the business to be dealt with at the meeting, pursuant to Section 338A of the Act.

14. Further questions and communication

Under Section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Meeting put by a member attending the Meeting unless answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Shareholders are invited to submit questions in advance of the AGM to the Company Secretarial Department by writing to Artemis Fund Managers Limited, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh, EH3 9BY. Alternatively, questions may be sent via email to the Chairman's email address midwyndchairman@artemisfunds.com.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated.

15. Documents available for inspection

    The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Meeting:

    15.1. a statement of all transactions of each Director and of their family interests in the share capital of the Company; and

    15.2. copies of the Directors' letters of appointment.

    No Director has a service contract with the Company.

16. Directors' biographies

    The biographies of the Directors standing for re-election or election are set out on page 21 of the Company's Annual Financial Report for the year ended 30 June 2021.

17. Announcement of results

    As soon as practicable following the Meeting, the results of the voting at the Meeting will be announced via a Regulatory Information Service and the number of votes cast for and against and the number of votes withheld in respect of each resolution will be placed on the website: midwynd.com.

18. Audit concerns

    Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements were laid in accordance with Section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Appendix to Notice of AGM – AGM Recommendations

The Annual General Meeting ('AGM') of the Company will be held on Tuesday, 9 November 2021 at Noon. The formal Notice of AGM is set out on page 53 which includes important information on the arrangements for this year's AGM. The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your ordinary shares in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The information set out below is an explanation of the business to be considered at the 2021 Annual General Meeting. To be passed, the ordinary resolutions require 50% of the votes cast to be in their favour and the special resolutions require 75% of votes cast to be in their favour.

Ordinary business

Resolutions 1 to 11 are all ordinary resolutions. Resolution 1 is a resolution to adopt the Annual Financial Report. Resolution 2 concerns the Directors' Remuneration Report, on pages 28 and 29. Resolution 3 invites shareholders to approve the final dividend. Resolutions 4 to 8 invite shareholders to re-elect each of the Directors for another year. The Board, on recommendation from the Nomination Committee, recommends the re-election of all Directors at this year's AGM (their biographies are set out on page 21). Resolutions 9 and 10 concern the re-appointment and remuneration of the Company's auditor, discussed in the Report of the Audit Committee on pages 31 and 32. Resolution 11 is the proposal to seek authorisation for the Directors to allot shares up to a maximum aggregate nominal amount of £1,011,156 (being approximately 33.3% of the issued share capital (excluding any shares held in treasury) as at 2 September 2021).

Resolution 12: authority to make market purchases of the Company's own shares (special resolution)

At the AGM held on 10 November 2020, the Company was granted authority to make market purchases of up to 7,862,872 ordinary shares of 5p each for cancellation or holding in treasury. This authority will expire at the forthcoming AGM. The Directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy back its ordinary shares in the market as they keep under review the share price discount to NAV. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at the date on which the resolution is passed (excluding treasury shares). If renewed, this authority will lapse at the conclusion of the AGM in 2022 unless renewed, varied or revoked earlier.

Special business

Resolution 13: power to disapply pre-emption rights (special resolution)

The Directors are seeking authority to allot a limited number of unissued ordinary shares for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures. A special resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £455,475 (being 15% of the issued share capital as at 2 September 2021) on a non pre-emptive basis. This authority includes shares that the Company sells or transfers that have been held in treasury. If approved, this authority will expire at the conclusion of the AGM in 2022 unless renewed, varied or revoked earlier.

Resolution 14: amendments to Articles of Association (special resolution)

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 14 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection the offices of Artemis Fund Managers Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD and on the Company's website, midwynd.com, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Increase to limit of Directors' remuneration

The New Articles (if adopted) would increase the maximum aggregate amount of fees that can be paid to Directors in any year, from £150,000 to £200,000. This increase will allow remuneration to keep track with inflation and also provide flexibility with Board recruitment.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. The changes will facilitate meetings in the event that there are circumstances in future, such as another pandemic, which make physical meetings impractical. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

Other regulatory updates

The Board is also taking the opportunity to propose some additional amendments to ensure the New Articles take account of updates to regulatory frameworks, for example, in relation to the Company's international tax reporting obligations and the Alternative Investment Fund Managers Directive.

Resolution 15: authority to call a general meeting on fewer days' notice (special resolution)

This resolution is seeking authority for the Company to call a general meeting, other than an annual general meeting, on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next annual general meeting of the Company.

General information

Buying shares in the Company

The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker, a financial advisor or via an investment platform. Find out more at midwynd.com.

Company numbers:

London Stock Exchange (SEDOL) number: B6VTTK0

ISIN number: GB00B6VTTK07

Ticker: MWY

Capital Gains Tax

For Capital Gains Tax indexation purposes, the market value of an ordinary share in the Company as at 31 March 1982 was 52 pence. The equivalent price, adjusted for the five for one share split in October 2011, is 10.4 pence.

Share register enquiries

Computershare maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrar on 0370 707 1186. This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address forms, Dividend Bank Mandates and Stock Transfer forms.

By quoting the reference number on your share certificate you can also check your holding on the Registrar's website at investorcentre.co.uk.

It also offers a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- update bank mandates and change address details;
- use online dealing services; and
- pay dividends directly into your overseas bank account in your chosen local currency.

To take advantage of this service, please log in at investorcentre.co.uk. You will need your Shareholder Reference Number and Company Code to do this (this information can be found on the last dividend confirmation or your share certificate).

Dividend Reinvestment Plan

Computershare provides a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to investorcentre.co.uk and follow the instructions or telephone 0370 707 1694.

Electronic proxy voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at eproxyappointment.com. If you have any questions about this service please contact Computershare on 0370 707 1186.

Financial Advisers and retail investors

The Company currently conducts its affairs so that the shares in issue can be recommended by Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ('FCA's') rules in relation to non-mainstream investment products and intends to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share prices are listed in the Financial Times and also on the TrustNet website (trustnet.com). Up-to-date information can be found on the Company's website (midwynd.co.uk), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the e-mail address: midwyndchairman@artemisfunds.com.

AIFMD disclosures

A number of disclosures are required to be made under the AIFMD as follows:

- Information in relation to the leverage of the Company is provided in the Strategic Report on page 14.
- Details of the Company's principal risks and their management are provided in the Strategic Report on pages 16 to 18.
- Details of the monitoring undertaken of the liquidity of the portfolio is provided in note 20 in the notes to the financial statements.
- The Investment Manager is not able to enter into any stocklending agreements; to borrow money against the security of the Company's investments; nor create any charges over any of the Company's investments, unless prior approval has been received from the Board.
- Details of the Company's strategy and policies, administration arrangements and risk management and monitoring, required to be made available to investors in the Company before they invest, are available at midwynd.co.uk.

Any material changes to this information is required to be reported in the Company's Annual Financial Report.

There have been no material changes from the prior year to the information above which requires disclosure to shareholders.

As the AIFM to the Company, Artemis is required to make certain disclosures regarding remuneration which will be disclosed at the appropriate time.

Remuneration

Artemis operates its remuneration policies and practices at a group level which includes both Artemis Investment Management LLP and its subsidiary Artemis Fund Managers Limited (AFML). Details of the group remuneration policies are available on Artemis' website artemisfunds.com.

No staff are employed by AFML directly but are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 218 Artemis partners and staff in respect of AFML's duties performed based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the Company for the year ended 31 December 2020 is £878,452, of which £416,657 is fixed remuneration and £461,795 is variable remuneration.

The aggregate amount of remuneration paid to Identified Staff that is attributable to duties for the Company for the year ended 31 December 2020 is £262,037. Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages. The AFML Code staff are the members of Artemis' Management and Executive Committees, certain fund managers, and others in specified roles. This includes certain individuals who are partners in Artemis Investment Management LLP.

Common Reporting Standard

The Organisation for Economic Co-operation and Development's Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard') requires the Company to provide information annually to HM Revenue & Customs ("HMRC") on the tax residencies of those certificated shareholders that are tax resident in countries out with the UK that have signed up to the Common Reporting Standard.

All new shareholders, excluding those whose shares are held in CREST, will be sent a certification form by the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

Failure to provide this information may result in the holding being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders; gov.uk/government/publications/exchangeofinformationaccount-holders.

Data Protection

The Company is committed to ensuring the protection of any personal data provided to them.

Further details of the Company's privacy policy can be found on the Company's website at midwynd.com.

Reporting calendar

Year End

30 June

Results announced

Interim: February

Annual: September

Dividends Payable

March and November

Annual General Meeting

November

Alternative Performance Measures ('APM')

Alternative Performance Measure ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

A description and explanation of the APMs used within the Annual Financial Report can be found below:

Ongoing charges

Total expenses (excluding finance costs and taxation) incurred by the Company as a percentage of average net asset values.

	As at 30 June 2021 £'000	As at 30 June 2020 £'000
Investment management fee	1,920	1,307
Other expenses	416	467
Total expenses	2,336	1,774
Average net assets	383,574	256,891
Ongoing charges	**0.6%**	**0.7%**

Total return

The total return on an investment is made up of capital appreciation (or depreciation) and any income paid out (which is deemed to be reinvested) by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of the period.

Net asset value total return for the year ended 30 June

	2021 pence	2020 pence
Opening net asset value	612.61	553.16
Closing net asset value	754.43	612.61
Dividends paid during financial year	6.22	6.85
	24.3%	**12.2%**

Share price total return for the year ended 30 June

	2021 pence	2020 pence
Opening share price	612.00	568.00
Closing share price	772.00	612.00
Dividends paid during financial year	6.22	6.85
	27.3%	**9.1%**

The total returns percentages assumes that dividends paid out by the Company are re-invested into shares at the value on the ex-dividend date and so the figure will be slightly different to the arithmetic calculation.

Premium/(Discount)

The amount, expressed as a percentage, by which the share price is more or less than the NAV per ordinary share.

Glossary

Administrator

Is an entity that provides certain services to support the operation of an investment fund or investment company. These services include, amongst other things, settling investment transactions, maintaining accounting books and records and calculating daily net asset values. For the Company, J.P. Morgan Europe Limited is the administrator.

Alternative Investment Fund Managers Directive (AIFMD)

A European Union directive from 2012 and 2013, now adopted in to UK law, that applies to certain types of investment funds, including investment companies.

Alternative Investment Fund Manager (AIFM)

Is an entity that provides certain investment services, including portfolio and risk management services. For the Company, Artemis Fund Managers Limited is the AIFM.

Banker and Custodian

Is a bank that is responsible for holding an investment fund's or investment company's assets and securities and maintaining their bank accounts. For the Company, J.P. Morgan Chase Bank N.A. is the banker and custodian.

Depositary

Is a financial institution that provides certain fiduciary services to investment funds or investment companies. The AIFMD requires that investment funds and investment companies have a depositary appointed to safe-keep their assets and oversee their affairs to ensure that they comply with obligations in relevant laws and constitutional documents. For the Company, J.P. Morgan Europe Limited is the depositary.

Discount/Premium

If the share price of an investment trust is lower than the net asset value per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, the shares are said to be trading at a premium.

Net Gearing

The net gearing reflects the amount of borrowings (see Note 12) the Company has used to invest in the market less cash and cash equivalents, divided by net assets.

A negative percentage reflects a net cash position.

The Company's position is set out below:

	As at 30 June 2021 £'000	As at 30 June 2020 £'000
Bank loans	9,949	9,401
Cash and cash equivalents	(16,556)	(14,716)
Net gearing	(6,607)	(5,315)
Net assets	452,093	308,043
Net cash	**(1.50%)**	**(1.70%)**

Further disclosure of the borrowings/debt position of the Company can be found in note 20.

Leverage

Leverage is defined in the AIFMD as any method by which an AIFM increases the exposure of an Alternative Investment Fund it manages, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

There are two measures of calculating leverage:

- the gross method, which does not reduce exposure for hedging; and
- the commitment method, which reduces exposure for hedging.

Net asset value

Net asset value represents the total value of the Company's assets less the total value of its liabilities, and is normally expressed on a per share basis.

Investment Manager, Company Secretary and Advisers

Registered office

6th Floor, Exchange Plaza
50 Lothian Road, Edinburgh, EH3 9BY
Website: midwynd.com

Investment Manager, Alternative Investment Fund Manager and Company Secretary

Artemis Fund Managers Limited
Cassini House
57 St James's Street
London SW1A 1LD

Authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

Tel: 0800 092 2051
Email: investor.support@artemisfunds.com
Website: artemsfunds.com

Registrar

Computershare Investor Services PLC
The Pavillions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 707 1186

Calls to the number cost 2 pence per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday.

Website: investorcentre.co.uk

Administrator

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Depositary

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Banker & Custodian

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Independent Auditor

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Edinburgh EH3 7PE

Broker

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