

22 May 2025

## MAJEDIE INVESTMENTS PLC

### HALF-YEAR FINANCIAL REPORT

Majedie Investments PLC ("Majedie" or the "Company") is pleased to present its Half-Year Financial Report for the six months ended 31 March 2025.

The Half-Year Financial Report can be found on the Company's website at [www.majedieinvestments.com](http://www.majedieinvestments.com) or by contacting the Company Secretary on telephone number 0131 378 0500.

#### Financial Highlights

	Six months to 31 March 2025	Year to 30 September 2024	Change
Net asset value per share	270.0p	285.8p	-5.5%
Share price	249.0p	236.0p	+5.5%
Discount	7.8%	17.4%	-
Dividend per share	4.1p	8.0p	-
Net asset value total return	(4.1)%	21.5%	-
Share price total return	7.4%	24.1%	-
Net assets	£143.1m	£151.5m	-5.5%

Net asset value is calculated on a cum income basis and with debt at fair value. Dividends are paid quarterly at 0.75% of NAV. The above dividend figure of 4.1p reflects the two quarterly dividends declared in relation to the financial year ended 30 September 2025 (2.1p for the quarter ended 31 December 2024 and 2.0p for the quarter ended 31 March 2025).

#### Highlights<sup>1</sup>:

- External Managers (61% of the portfolio) contributed +150bps to overall performance. This was primarily due to strong returns from specialist credit funds, with significant contributions from the Contrarian Emerging Markets Fund and Context Partners Offshore Fund.
- Direct Investments (19% of the portfolio) were the biggest drag on performance, reducing overall returns by -250bps. Shares in SS&C Technologies Inc. and Weir Group both performed well, whereas Evolent Health Inc. and Basic-Fit NV detracted. Both positions have subsequently been sold.
- Special Investments (15% of the portfolio) detracted by -170bps. This was mainly due to weak mark-to-market performance from two co-investments: Qena Capital LP, Class S, in the public equity of FTAI Infrastructure Inc. and Engaged Capital Co-Invest XVI LP, in the public equity of VF Corporation.
- At the half-year end the Company announced that it has fully repaid both the principal amount outstanding and the final interest payment of the 7.25% Debenture stock due 31st March 2025, reducing the Company's ongoing operating costs by approximately 1% per annum.
- In keeping with the Company's policy to make quarterly dividend payments of approximately 0.75% of NAV, during the period dividends totalling 4.1p were declared.

1 As at 31 March 2025. Past performance is no guarantee of future performance. Returns are not guaranteed.

#### Christopher Getley, Chairman, commented:

"During a volatile and difficult period for markets, Majedie's Liquid Endowment Strategy has given up some of the significant gains from the prior twelve months; the NAV total return was -4.1% over the six-month period to 31 March 2025. The discount to NAV narrowed, ending the period at 7.8% and, as a result, the shareholder total return was +7.4%. These returns include quarterly interim dividends declared during the period which totalled 4.1p, a 5.1% increase on the period to 31 March 2024.

The NAV returns were similar in each quarter at -2.11% in the period to December and -2.13% in the quarter to the end of March. During the December-end quarter, the External Manager allocation added considerable value, however a similar amount was given up by the Direct Equity portfolio when excess investment returns concentrated around a very small number of technology related stocks following the election of Donald Trump as the President of the United States. Furthermore, the strong performance of the absolute return focused External Managers in the March-end quarter was not able to offset falls in equity focused External Managers and several Special Investments.

The Board notes both the resilience of this performance during times of great market uncertainty and that market moves are fully expressed in the NAV calculation in a timely fashion due to the liquidity of the underlying investments in the portfolio. Core to the strategy is a clear focus on those investment ideas where Marylebone Partners' analysis has determined the greatest conviction of strong returns over time, together with resilience to unforeseen events and low correlation between portfolio positions.

Consistent with the comments in the 2024 Annual Report, the Debenture was repaid at the end of March and so the Company now has no structural gearing. The Board concurs with Marylebone Partners that the best way to capitalise on the opportunities that will be created during this period of change is to invest with discipline and require a margin of safety and that structural leverage is not required in pursuit of inflation beating total returns."

**Dan Higgins, Partner at Marylebone Partners and Investment Manager of Majedie, commented:**

"We have anchored Majedie Investment's portfolio in bottom-up ideas sourced from less-crowded areas, where fundamentals are sound and have room to exceed expectations. The investments sit on reasonable valuations, with resilient cash flows and strong balance sheets. Equities remain central to the strategy and, as liquid assets, they will experience price fluctuations, and we have the liquidity to reallocate as new ideas emerge. Amid a more complex and volatile backdrop, the merits of a well-constructed portfolio of idiosyncratic ideas has become more apparent."

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**About [Majedie Investments PLC](#):**

Majedie Investments PLC is an investment trust whose objective is to deliver long-term capital growth whilst preserving shareholders' capital and paying a regular dividend. The performance target is to achieve net annualised total returns (in GBP) of at least 4 per cent. above the UK CPI, over rolling five-year periods.

The Majedie Investments PLC portfolio features a combination of hard-to-access special investments, allocations to funds managed by boutique third-party managers, and direct investments in public equities.

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**About [Marylebone Partners](#):**

Marylebone Partners LLP ("Marylebone") is an independent investment manager, owned by its principals. It helps families, charities, endowments, trusts and private investors to protect and grow their wealth in real terms. Marylebone's defining characteristic is its ability to access differentiated fundamental investments, many of which never come onto the radar screen of other allocators. This capability is the key to delivering superior performance outcomes over the years ahead.

The partnership was founded in 2013 with the vision of bringing a distinctive investment approach to clients who sought a relationship based on trust and transparency. This remains Marylebone's sole purpose today.

Marylebone Partners LLP is authorised and regulated by the Financial Conduct Authority.

**Investment Manager's Report**

**Review of markets**

The optimism that lifted U.S. equity markets following Donald Trump's election evaporated in the days following his inauguration. A bullish mood predicated on the promise of tax cuts, deregulation and cheaper energy reversed as the new President embarked on dismantling the established rules of global trade. We now know this was only a precursor to the onslaught of the Trump tariffs announcement on April 3<sup>rd</sup>, which has sent shockwaves through the global economy and financial markets.

Two further developments combined to create unease and accelerate a rotation out of US assets.

First, threats emerged to the presumed supremacy of America's technology giants. In January, the Chinese AI startup DeepSeek unveiled its R1 large-language model, which matched the performance of leading US players at a fraction of the cost. Nvidia saw US\$590 billion wiped from its value in a single day. Later in the quarter, Chinese electric vehicle manufacturer BYD unveiled a new battery capable of delivering 250 miles of range with only five minutes of charging, sparking a notable decline in Tesla's stock.

Second, the new administration's public rebuke of Ukraine prompted an uncharacteristically swift and convincing policy response from Europe. In a marked departure from its traditionally conservative financial approach, Germany enacted fiscal policy reforms when Chancellor-elect Friedrich Merz secured borrowing for investments of up to €1 trillion in the military and a special fund for infrastructure.

Collectively, these events precipitated the largest quarterly underperformance of US stocks since 1987.<sup>1</sup> The S&P 500 fell by -5% and the NASDAQ by -10%, with the Magnificent Seven plunging by -15%, on average. Meanwhile, European bourses received their second largest inflows in a quarter of a century.<sup>2</sup> China's stock market gained by +20%.

With markets now in the grip of a trade war and allocators contending with the possibility of a global recession, tectonic plates are shifting in a way that could redefine financial markets for a generation. The period has been characterised by a shift away from US momentum and growth strategies (as demonstrated by the recent underperformance of the Magnificent Seven) towards international stocks and those with a more defensive profile.

1 Source: MarketWatch.

2 BofA Global Research.

**The portfolio**

We have anchored Majedie Investment's portfolio in bottom-up ideas sourced from less-crowded areas, where fundamentals are sound and have room to exceed expectations. Equities remain central to the strategy and, as liquid assets, they will experience price fluctuations. Amid a more complex and volatile backdrop, the merits of a well-constructed portfolio of idiosyncratic ideas become apparent, while the Company's closed-ended structure lets us stay focused on the long term.

## **External Managers**

The portfolio includes fourteen allocations to funds managed by external managers, which collectively make up 61% of total net assets.

Of these, 31% of total net assets is to eight funds in the equity-centric category and the remaining 30% is to six funds with an absolute return profile (all of them specialist credit managers). Overall, this segment of the portfolio contributed +150bps in the first half of the financial year.

Within the equity-centric category, each manager is a specialist in extracting alpha from a structurally inefficient sector or region and/or operates with a distinctive style. The position overlap between these funds and with our direct investment book is minimal and statistical cross-correlation remains low, suggesting we have achieved risk diversification without diminishing return potential.

These managers were broadly flat over the period. Those who specialise in Europe (e.g. The Helikon Long Short Equity Fund ICAV) and China (e.g. Perseverance DXF Value Fund) performed best. In contrast, US focused managers (Paradigm BioCapital Partners Fund, Praesidium Strategic Software Opportunities Offshore Fund LP, Engaged Capital Flagship Fund Ltd) were not immune to the sell-off since the start of the calendar year.

We continue to build a position in the Japan Up Limited Partnership II, managed by a small-midcap activist manager based in Tokyo called Strategic Capital.

Alongside equity-centric managers, the portfolio has substantial targeted exposure to specialist credit strategies, which we consider more attractive as a source of uncorrelated absolute returns than government bonds. These managers specialise in situation-specific high-yield bonds and distressed debt, where absolute returns come from combination of carried interest and bond-price appreciation.

This component of the portfolio contributed +160bps for the period. All funds contributed, with the Contrarian Emerging Markets Fund leading the way thanks to gains in Latin American credit investments. This was supported by Context Partners Offshore Fund Ltd, Silver Point Capital Offshore Fund Ltd and the Eicos Fund SA SICAV-RAIF. As spreads have tightened in recent weeks and the economic outlook has deteriorated, we have pared back the portfolio's exposure to some specialist credit funds.

## **Direct Investments**

The portfolio includes nine positions in publicly listed stocks and one ETF holding, which collectively account for 19% of total net assets.

We believe the positive change within these listed companies is under appreciated by the market, whilst the position in Global X Copper Miners ETF (COPX) expresses our positive view on the metal.

Our selection criteria are stringent and unchanged, notably healthy top-line growth prospects, strong business profitability, solid balance sheets and management teams with proven track records. In aggregate (ex COPX), this component of the portfolio trades at a multiple of 12.1x current year earnings with a significant upside to our estimates to fair value.<sup>3</sup>

The direct investments component of the portfolio detracted by -250bps over the period. Holdings in SS&C Technologies Inc, Weir Group plc, Breedon Group plc, IMI plc, and Westinghouse Air Brake Technologies Corp all made a positive contribution over the period. Evolent Health Inc. performed poorly following the issuance of a profit warning, citing challenges related to higher medical costs. Global X Copper Miners ETF slipped on tariff and growth concerns. We used the weakness to add to the position as we expect a shortfall in supply to meet demand, partly driven by increased demand from China, as its economy responds to government's efforts to reignite growth.

We reduced our exposure to more economically sensitive equities such as Westinghouse Air Brake Technology Corp and sold positions in Evolent Health Inc and Basic Fit NV outright. Proceeds were re-invested in a new position in Stabilus SE at what we believe to be an attractive entry point. The company is a global leader in control solutions for a range of industries including automotive, aerospace and industrial applications and we believe the market underestimates recovery potential due to better pricing, higher margin products and operational efficiencies. A shift in business mix towards industrials and higher quality offerings is expected to support a rerating from a low valuation multiple.

<sup>3</sup> Source: Marylebone Partners LLP. As at 31 March 2025.

## **Special Investments**

The portfolio owns thirteen Special Investments totalling 15% of the portfolio.

Although performance in the category overall was lower in the first half of the financial year, several positions recovered from mark to market losses incurred towards the end of 2024. These include the portfolio's co-investment in the public equity of Orizon Valorizacao de Residuos SA Warrants (a Waste Management company based in Brazil), a co-investment in the public equity of Portillo's Inc. and a co-investment in the public equity of CVS Health Corporation.

The largest detractor to performance over the period was the investment in the public equity of FTAI Infrastructure where weak results at its subsidiary Transtar offset otherwise steady progress elsewhere. We received partial returns from a tax-credit strategy (Marblegate Partners II Overflow Fund), and the final tranche of the portfolio's investment in Metro Bank's senior non preferred bonds.

We added three new Special Investments in the first half of the financial year. The first is a litigation finance opportunity (Project Galicia) brought to us by Bow Street Capital, whose TransAtlantis platform seeks to pursue claims against Spanish banks and retailers who have issued credit cards at either usurious rates or failed to meet transparency obligations. The situation has limited jurisprudence or credit risk, and we believe it can deliver attractive returns with zero correlation to financial markets.

The second (Project Philadelphia) marks IB Investment Management LLC's first special purpose vehicle in over five years

The second project (Indeepira) marks JB Investment Management LLC's first special purpose vehicle in over five years. The manager's six prior investments have achieved outstanding returns, always by targeting a sector undergoing structural change as the result of a 'catastrophic exit of supply'. As distressed, high-cost producers are forced out, this should set the stage for a pricing recovery that benefits the more resilient survivors.

The third new Special Investment (Project Zeno) is a co-investment in the public equity of Bank of Cyprus, brought to us by Caius Capital. The bank is healthy, profitable and over-capitalised and the strategy targets the expected release of excess capital via increased dividends and share buybacks, driven by greater shareholder engagement to unlock value and rerate the stock.

### **Currency**

At a time when the dominance of the US Dollar is beginning to come into question, it is also important to remind investors that a shareholding in Majedie should be seen as a Sterling-denominated asset; gyrations in exchange rates should not significantly affect its Net Asset Value. Except for Special Investments and the portfolio's position in the Global X Copper Miners ETF, we generally seek to neutralise the impact of currency fluctuations using currency forwards.

### **Outlook**

The second Trump administration believes that America's medium-term prosperity depends on reducing the federal deficit and lowering the national debt as a share of GDP. Alongside efforts to slash government spending, a cornerstone of its economic policy is the imposition of tariffs on trading partners whom the President and his advisors believe have treated the U.S. unfairly.

### **Back to the Great Depression era**

As tends to be the case with Trump, there is a kernel of intuitive logic to his actions. The instinct that persistent fiscal imbalances pose a long-term threat to prosperity is not unfounded. However, by upending the global trading system and traumatising the domestic economy, the manner of his actions is potentially damaging and counterproductive.

Even before 'Liberation Day' the new administration's policies were hurting business sentiment and making long term planning challenging for companies. M&A activity stalled, and capital expenditure decisions were put on hold. US consumer confidence wobbled, with expectations dropping well below the threshold that usually signals a recession ahead.<sup>4</sup>

What is most unsettling for markets is that a self-inflicted slowdown may be accompanied by resurgence of inflation.<sup>5</sup> JP Morgan economists had projected that tariffs will result in a full-year GDP decline of -0.3%, down from an earlier estimate of +1.3%, and they put the odds of a recession at 60%. Following Trump's announcement of a 90-day pause for 'non-retaliatory countries', those projections will presumably have to be revisited.

Aside from the daily tariff circus, trouble is brewing between Trump and Fed Chair Jerome Powell, who will demur from easing when inflation is on the rise. We also expect Congress to enact fiscal measures in due course, to mitigate the impact of tariffs on voters' pockets before the midterm elections at the end of 2026.

Over the medium term, the Trump presidency may (ironically) have galvanised the other G7 countries into focusing on their shared priorities such as security, industry and trade. Europe, especially Germany, is meanwhile considering stimulus actions of its own. The ECB and Bank of England have more scope to ease monetary policy because the strength in their currencies is disinflationary at the margin.

Recent developments are, on balance, negative for risk assets. They do nothing to change our view that the best long-term opportunities are in the some of the over-looked out-of-consensus areas that already feature prominently in Majedie's portfolio. Most reside outside of the United States.

While Trump sees the long-standing trade deficits as symptomatic of an abusive relationship, the global flow of capital has been hugely beneficial to the United States over many years. Since the Global Financial Crisis. Investors in Europe, the U.K., Japan and Canada have bought substantially more U.S. assets than Americans have invested abroad. Consequently, the U.S. Net International Investment Position (NIIP) has widened from - 2.6 trillion to - 23.6 trillion since 2009, while the Dollar index has risen from 93 to 121.<sup>6</sup>

4 Source: the Conference Board's Expectations index, which dropped 9.6 points to 65.2, the lowest level in 12 years.

5 Treasury Secretary Scott Bessent does not concur, seeing them as a 'one time price adjustment'.

6 Source: 13D Research.

Previously, we highlighted the stretched valuations of many U.S. financial assets, a result of America's prolonged economic and market outperformance, as well as the dominance of a handful of expensive mega-cap growth stocks within the market-cap-weighted indices. Even after the recent rout, U.S. stocks appear relatively expensive because the outlook for their earnings has deteriorated alongside falling share prices. Regardless of whether the Trump administration is following the usual tactic of taking an aggressive opening posture to negotiate from a position of strength, lasting damage has been done.

China has some room to manoeuvre. Roughly 20% of its GDP comes from exports, so tariffs will undoubtedly hurt. However, the US takes only 15% of China's exports. Importantly, we expect stimulus to ramp-up following last month's Twin Sessions, at which a package was announced that included a higher budget deficit (4% of GDP), 1.3 trillion Yuan in special treasury bonds, 4.4 trillion in local government bonds, and 500 billion for bank recapitalisation to support infrastructure, public services, and economic stability. For now, fiscal stimulus is preferred to a destabilising outright currency depreciation, especially as China seeks to build new regional trading alliances.

Meanwhile, last year's measures are gaining some traction. Funds raised by real estate developers have turned positive, and new home sales in Tier-1 cities rose by +20% year-over-year. The latest PMI showed that factory orders expanded, suggesting exports were resilient in the face of initial tariffs. If only a portion of China's vast domestic savings is channelled into consumption and equities, it would have major positive effects on a market where valuations are depressed, and allocators are underweight. There is no change to our (selectively) constructive stance on Chinese equities.

### **Conclusion**

The portfolio is well-diversified across equities, specialist credit, and commodities. Our investments sit on reasonable valuations, with resilient cash flows and strong balance sheets. Portfolio liquidity is good, providing us with the flexibility

to reallocate as new ideas emerge. For now, our focus remains on capital preservation until visibility improves.

**Portfolio as at 31 March 2025**

	<b>Market Value (£000)</b>	<b>% of Total Assets less Current Liabilities</b>
<b>Direct Investments</b>		
Global X Copper Miners ETF	6,244	4.4%
Computacenter plc	3,316	2.3%
KBR Inc.	2,916	2.0%
Weir Group plc	2,893	2.0%
SS&C Technologies Holdings Inc	2,764	1.9%
Breedon Group plc	2,485	1.7%
IMI plc	2,458	1.7%
Heineken NV	1,978	1.5%
Stabilus SE	1,297	0.9%
Cancom SE	1,272	0.9%
	<b>27,623</b>	<b>19.3%</b>
<b>External Managers</b>		
Contrarian Emerging Markets Offshore Fund Ltd	10,864	7.6%
Helikon Long/Short Equity Fund ICAV	8,566	6.0%
Perseverance DXF Value Feeder Fund Ltd	7,905	5.5%
Silver Point Capital Offshore Fund Ltd	7,821	5.5%
Millstreet Credit Offshore Fund Ltd	7,280	5.1%
Praesidium Strategic Software Opportunities Offshore Fund LP	6,132	4.3%
Eicos Fund SA SICAV-RAIF	6,051	4.2%
CastleKnight Offshore Fund Ltd	6,045	4.2%
Context Partners Offshore Fund Ltd	5,533	3.9%
CQS Credit Multi-Asset Fund	5,185	3.6%
Paradigm BioCapital Partners Fund Ltd	5,164	3.6%
Briarwood Capital (Offshore) Ltd	5,061	3.5%
Japan-Up Limited Partnership II	3,169	2.2%
Engaged Capital Flagship Fund Ltd	2,361	1.7%
	<b>87,137</b>	<b>60.9%</b>
<b>Special Investments</b>		
Bank of Cyprus Holdings Ord	2,973	2.1%
Sprott Uranium Miners ETF	2,435	1.7%
Engaged Capital Co-invest XVII LP	2,363	1.7%
GCM Suggestivist I Offshore Partners LP	2,328	1.6%
JB Investments Offshore Fund IV Ltd	2,060	1.4%
Orizon Valorizacao de Residuos SA Warrants	2,056	1.4%
Engaged Capital Co-invest XVI LP	1,963	1.4%
Qena Capital LP Class T	1,588	1.1%
Impactive Balentine Fund LP	1,122	0.8%
Marblegate Partners II Overflow Master Fund LP	1,011	0.7%
Sachem Cove Special Opportunities Fund LP	991	0.7%
Other Special Investments	375	0.2%
	<b>21,265</b>	<b>14.8%</b>
<b>Other Investments (including current assets investments)</b>	58	0.1%
<b>Total Investments</b>	<b>136,083</b>	<b>95.1%</b>
Cash and Cash Equivalents	6,387	4.5%
Net Current Assets	637	0.4%
<b>Total Assets less Current Liabilities</b>	<b>143,107</b>	<b>100.0%</b>

**Dan Higgins**  
Marylebone Partners LLP  
21 May 2025

**FURTHER INFORMATION**

A copy of the Half-Year Financial Report will be submitted shortly to the National Storage Mechanism ("NSM") and will be

Copy of the half-year financial report will be submitted directly to the National Storage Mechanism (NSM) and will be available for inspection at the NSM, which is situated at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

**END**

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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