PROFIT *hunters*

Mid Wynd International Investment Trust *PLC*

Annual Financial Report

for the year ended 30 June 2015

ARTEMIS

The PROFIT Hunter

Contents

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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

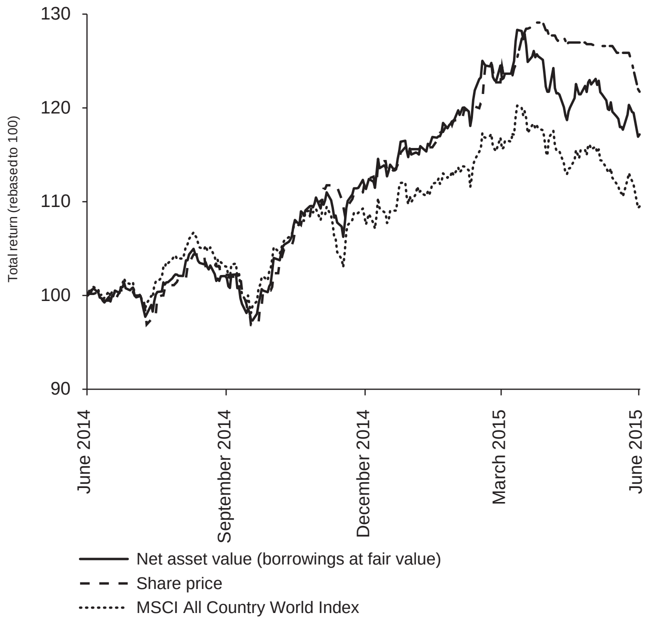
If you have sold or otherwise transferred all of your ordinary shares in Mid Wynd International Investment Trust PLC, please forward this document, together with any accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Financial Highlights

Returns for the year ended 30 June 2015

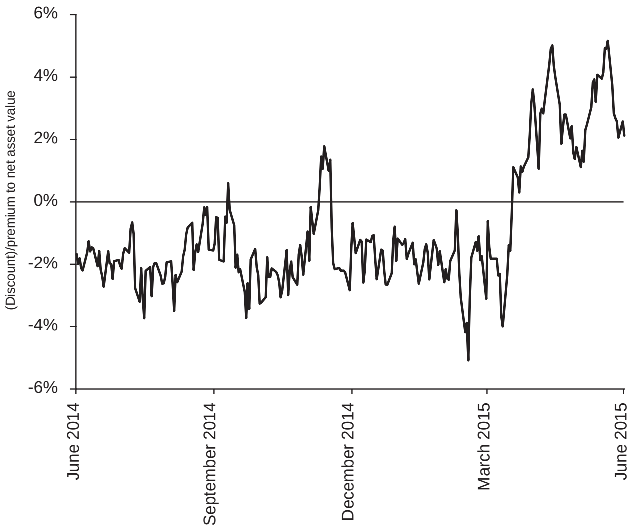
Total returns	Year ended 30 June 2015	Year ended 30 June 2014
Net asset value per share (borrowings at fair value)	17.2%	11.7%
Net asset value per share (borrowings at par)	17.1%	11.6%
Share price	21.7%	8.4%
MSCI All Country World Index	9.5%	9.1%
Revenue and dividends		
Revenue earnings per share	4.13p	4.08p
Dividends per share*	4.00p	3.80p
Ongoing charges	0.8%	0.8%
Capital	**As at 30 June 2015**	**As at 30 June 2014**
Net asset value per share (borrowings at fair value)	322.87p	279.17p
Net asset value per share (borrowings at par)	322.87p	279.29p
Share price	329.75p	274.50p
Gearing	0.0%	5.8%

Performance for the year ended 30 June 2015



Source: Datastream/Morningstar.

(Discount)/premium during the year ended 30 June 2015



Source: Datastream/Morningstar.

Total returns to 30 June 2015	Since 1 May 2014**	3 years	5 years
Net asset value per share (borrowings at fair value)	19.6%	46.1%	71.2%
Net asset value per share (borrowings at par)	19.6%	45.9%	71.1%
Share price	23.7%	48.7%	88.7%
MSCI All Country World Index	12.5%	44.0%	67.1%

* The final dividend for the year to 30 June 2015 of 2.65 pence will, if approved by shareholders, be paid on 6 November 2015 to shareholders on the register at the close of business on 16 October 2015. The Company's Registrar provides a Dividend Reinvestment Plan (see page 51) and the final date for receipt of elections for this dividend is 19 October 2015.

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

Ten year summary

At 30 June	Total assets (£'000)[1]	Bank loans (£'000)	Shareholders' funds (£'000)	Net asset value per share (at fair value) (p)	Share price (p)	Premium/ (discount) (%)	Dividends paid and proposed per share (p)[2]	Ongoing charges (%)	Gearing (%)[3]
2006	46,672	(1,622)	45,050	179.20	150.60	(16.0)	2.10	0.9	–
2007	52,590	(2,422)	50,168	199.78	168.50	(15.7)	2.40	0.8	4.5
2008	51,411	(1,422)	49,989	198.88	164.80	(17.1)	2.80	0.8	–
2009	40,953	(1,888)	39,065	155.30	134.50	(13.4)	3.00	0.8	4.5
2010	55,409	(5,347)	50,062	201.64	187.00	(7.3)	3.10	0.9	9.9
2011	71,795	(5,506)	66,289	251.44	254.00	1.0	3.30	0.8	6.3
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**	**–**

1 Total assets comprise total net assets before deduction of bank loans.

2 The 2008 dividend excludes the special dividend of 2.30 (0.46p if adjusted for the share split in October 2011).

3 Total assets less cash and cash equivalents divided by shareholders' funds.

Source: Artemis.

Cumulative performance (from 30 June 2005)

At 30 June	Dividend growth	Retail Prices Index[1]	Net asset value per share (at fair value) total return[2]	Share price total return[2]	MSCI All Country World Index total return[2]
2006	111.70	102.90	117.90	124.90	114.40
2007	127.66	107.02	132.99	141.76	132.13
2008	148.94	111.51	135.25	140.77	120.90
2009	159.57	109.39	107.66	117.40	103.25
2010	164.89	114.21	142.00	166.48	127.00
2011	175.53	119.12	179.49	229.40	154.05
2012	175.53	121.74	166.39	211.28	147.42
2013	180.85	125.02	185.86	238.32	177.64
2014	202.13	127.52	207.60	258.34	193.81
2015	**212.77**	**128.03**	**243.31**	**314.40**	**212.22**

1 Source: Office for National Statistics.

2 Source: Datastream/Morningstar.

Strategic Report

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

Chairman's Statement

Performance

The year which ended on 30 June 2015 was the Company's first full year under the management of Artemis. I am very pleased to report that Mid Wynd's net asset value has increased by 15.7 per cent, from 279.17 pence per share to 322.87 pence. This compares with a 7.4 per cent return from the MSCI All Country World Index. On a total return basis, with dividends assumed to be reinvested, the return was 17.2 per cent – well ahead of the 9.5 per cent total return from the index. Since Artemis' appointment on 1 May 2014, the net asset value of the Company has produced a total return of 19.6 per cent against the index's 12.5 per cent. Over the same period, the net asset value per share has grown by 18.1 per cent against 9.8 per cent growth in the index.

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

Last year I commented on the £4 million decline in Mid Wynd's shareholders' funds and said that the Board and our Investment Manager were giving serious attention as to how this decline could be reversed. I am pleased to report that the Company's net assets have increased by more than 28 per cent to stand at £80.8 million at 30 June 2015. This has been achieved by a combination of investment performance and the issue of 3.1 million shares from treasury, following Artemis' efforts to broaden the appeal of the Company to investors. Our strategic aim continues to be to increase the size of the Company so that liquidity in the market for our shares can be increased and the per share cost of running the Company can be reduced.

Dividend

The return for the year ended 30 June 2015 was 45.08 pence per share, comprising net revenue of 4.13 pence per share and a capital increase of 40.95 pence per share. The Board proposes a final dividend of 2.65 pence per share. Subject to approval by shareholders at the Annual General Meeting ('AGM'), it will be paid on 6 November 2015 to those shareholders on the register at the close of business on 16 October 2015. An interim dividend of 1.35 pence per share was paid during the year.

The payment of dividends totalling 4.00 pence per share represents an increase of 5.3 per cent on the 3.80 pence paid in respect of the year ending 30 June 2014. The Board is committed to a progressive dividend policy and as noted in the Investment Manager's review, the nature of the companies the Company is invested in should, over time, be supportive in achieving this objective. In addition, the Company has revenue reserves, assuming shareholders approve the proposed final dividend for 2015, equivalent to approximately 4.08 pence per share. This provides further support for the delivery of a progressive dividend to shareholders.

Share capital

During the year the Company purchased a total of 577,440 shares into treasury. The majority of these were in July and August 2014 as the remaining holders in Baillie Gifford's savings plans and ISA sold their holdings. These shares were purchased at a cost of £1.6 million, with an average discount of 2.7 per cent, and their purchase added 0.16 pence per share to the net asset value for continuing shareholders.

Since taking on management of the Company, Artemis has met a number of existing and potential investors in an attempt to broaden awareness of the Company and how it is being managed. These efforts have generated buying interest: during the year 3.1 million shares were issued from treasury, raising £10.0 million of new money. These shares were priced at the prevailing net asset value on the date of their issue. Artemis will continue to meet both existing and prospective shareholders and promote the Company with the aim of generating further demand for the Company's shares.

The Company will continue to support the liquidity of its shares by issuing and re-purchasing them where necessary to maintain the share price within a 2 per cent band relative to the net asset value. The Board believes this policy will best serve shareholders' long-term interests.

Borrowings

As noted in the half-yearly report in February 2015, the Company agreed a new, three-year, US$16 million revolving credit facility with Scotiabank. This replaced two fixed rate loans from the same lender which matured. A credit facility gives the Company greater flexibility in how borrowings are used: the level can be increased or decreased to reflect the Investment Manager's view on markets and investment opportunities. The terms of the new facility are also more favourable for the Company than the fixed rate loans, with the interest rate more closely reflecting the current interest rate environment.

AGM and investment update

The AGM is to be held on 2 November 2015 at 12 noon at 42 Melville Street, Edinburgh EH3 7HA. Artemis will make a short presentation at the meeting. The Board would welcome your attendance as it provides shareholders with an opportunity to ask questions of the Board and the Investment Manager. For those shareholders who are unable to attend, I would encourage you to make use of your proxy votes by completing and returning the form enclosed with this report.

As the AGM will be held in Edinburgh, the Board intends to offer shareholders an opportunity to attend a presentation by the Investment Manager in London. Further details of this will be announced with the half-yearly results in February 2016.

Outlook

In recent months, markets around the world have been volatile, predominantly due to events in Greece and China. It is clear that there is much still to be done to get the global economy growing independently from monetary stimulus and record low interest rates.

The Company's investment portfolio is focussed on businesses with strong market positions and balance sheets, operating in sectors with attractive, long-term growth prospects, and as a result they are less directly affected by the global economy. This should provide a degree of protection in more testing economic times, while still generating capital and income growth for shareholders over the longer term. That said, many of these more stable, higher quality companies are at or near all-time relative highs in terms of valuation. So it is only right to observe that their short-term performance could suffer in a downturn.

Even so, it is to be hoped that growth in shareholders' funds will continue and that I will be able to report another satisfactory result to you next year.

Contact us

Shareholders can keep up to date with developments between formal reports by visiting midwynd.co.uk. Here you will find information on the Company and a factsheet which is updated monthly. In addition, the Board is always keen to hear from shareholders. Should you wish to you can e-mail me at richard.burns@artemisfunds.com.

Richard Burns
Chairman
24 August 2015

Strategic Report (continued)

Investment Manager's Review

Performance

Artemis has been managing the Company for a little over a year. Whilst a year is only a short measurement period and past returns are no guarantee of those to come, the investment process (see below) outlined in last year's report has delivered satisfying returns, summarised in the table below.

Index return	9.5%
Contributors:	
Active return	7.5%
Currency	0.9%
Gearing	0.1%
Other expenses	(0.3)%
Management fees	(0.5)%
Net asset value total return	17.2%
Movement in discount/premium to net asset value	4.5%
Share price total return	21.7%

The year saw steady economic conditions, especially in the US. Ben Bernanke, the then Chairman of the US central bank, the Federal Reserve Board, first raised the prospect of higher interest rates over two years ago, but global economic conditions have delayed this. The last year has seen very little (sometimes negative) inflation in developed countries, reflecting lower oil prices which have halved year-on-year. Towards the Company's year end, concerns about Greece and slowing growth in emerging markets combined to weaken investment returns. Fortunately we had positioned the Company more defensively in anticipation of these events.

The Artemis investment process

Our aim is to identify reliable commercial themes around the world, avoiding industries which require healthy economic conditions to prosper. Within each theme, there may be many quoted equities which could be attractive investments. Our preference is to select those we consider to be high quality companies with records of profitability and high cash generation. We prefer companies with strong balance sheets and established barriers to entry to their industry. Such companies can lag equity markets in a vigorous recovery, but they can also protect capital when economic conditions become more testing. Over time we have found this investment approach provides a stable framework to deliver consistent returns to investors.

Current investment themes:

Healthcare Costs (19.7 per cent of investments)

We invest in companies which help to moderate rising costs in the healthcare system. This theme has been the outstanding contributor to investment returns over the year (see attribution analysis overleaf). Our focus on generic drug manufacturers and over-the-counter drug companies led us to invest in ***Hospira*** and ***Perrigo***; both attracted takeovers from traditional drug companies wanting to increase their exposure to these growing segments. We see this theme continuing for many years and have made few changes to our core holdings.

Key holdings: ***AmerisourceBergen*** is America's largest pharmaceutical wholesaler. It has allied with ***Walgreens Boots Alliance*** to source generic drugs more efficiently. The Company holds both stocks and we expect the benefits of this alliance to be seen over the next few years. We also saw strong returns from ***Boston Scientific***, a world leader in stents. These can now be used to open smaller arteries, further from the heart, improving circulation in limbs for patients with hardened arteries.

Asset Growth (14.7 per cent of investments)

We hold a variety of stocks for their ability to improve the value of their assets over time, rather than for the current earnings power of those assets.

Key holdings: We reduced our property exposure over the early part of 2015 as these companies tend not to perform well when interest rates rise. Our larger holdings now include ***Capital One Financial*** and ***J.P. Morgan Chase & Co.***, which should both benefit from rising US rates. The latter is also enjoying a boom in takeover and IPO activity in equity markets.

Retiree Spending Power (13.0 per cent of investments)

This theme contains companies we have identified as benefitting from the spending power of wealthy, older consumers in developed markets. This theme performed well last year, despite broader consumer spending recovering slowly in the US.

Key holdings: ***Shimano***, the world leader in bicycle brakes and gears, has performed very well over the last year. It seems to benefit from customers trading up, as well as from greater participation in cycling. We have also seen good returns from ***Carnival***, the world's leading cruise line, which has seen growing repeat bookings from its loyal 'senior' customers, as well as lower fuel costs.

Emerging Market Consumer (11.8 per cent of investments) and **Frontier Investments** (2.5 per cent of investments)

As growth has slowed in the latter part of the year, we have reduced the Company's exposure to emerging and frontier markets somewhat. Specifically, we enjoyed very strong returns from holdings in Chinese banks but took profits when it became apparent that some of the Shanghai stock market boom was based on borrowed money.

These trends continue, but at a more modest pace than that driving the last two decades. Meanwhile, the social costs of an ageing population are now being seen in countries such as China, as are the costs of managing the pollution which comes from industrial expansion.

Key holdings: Our main holdings are ***LVMH*** and ***Essilor International***, a world leader in eyeglasses. Both have strong records of long-term growth and benefit from growing middle-class wealth. Emerging market investing has been driven by demographics: youthful populations making the working population larger, healthier and better educated.

Mobile Data and e-Commerce (10.8 per cent of investments)

Our investments focus on companies benefitting from the growth in e-commerce, especially through smartphones and from growing emerging market access to the internet. Returns have been mixed, but positive overall.

Key holdings: ***Google***, the Company's largest investment, has had a dull year, beset by a regulatory argument in Europe. Yet underlying growth and profitability continue to be excellent and we see few challengers to its business. We have invested in ***Facebook***, which dominates targeted online advertising. We find its current offer patchy and poorly focussed, but this makes us wonder how much money it will make if it improves its advertising capability.

Infrastructure and Environment (9.2 per cent of investments)

Cheap US domestic gas is an attractive fuel for electricity production, sometimes challenging coal-fired power plants which face rising environmental costs. In the US 'sun belt', regulators are asking electrical utilities to invest in a distribution system able to manage more renewable energy supplies, such as solar and wind. Improving technology may be making modern solar panels competitive with traditional power sources, without the need for subsidies.

Key holdings: ***Edison International*** is California's main electrical utility, as ***Dominion Resources*** is for Virginia.

Media Content (7.9 per cent of investments)

We invest in producers of high-quality television programmes and films benefitting from increasing affiliate fees and growing overseas sales. We have been concerned about falling viewing figures for free-to-air content in the US and, to a lesser extent, Europe: younger viewers spend more time on YouTube and streaming services. All the same, the best content from the strongest companies still wins vast audiences, including a growing viewership in emerging markets.

Key holdings: ***Time Warner*** and ***Grupo Televisa*** – a Mexican company which is the world leader in Spanish language content, especially telenovellas (soap operas).

Distribution (6.4 per cent of investments)

Our investments are in companies building the infrastructure to supply western consumer goods into emerging markets. Some of these are also building automated warehouses designed to facilitate e-commerce.

Key holdings: ***China Merchants Holdings (International)***, the country's main port operator, performed well. We have sold our holding in ***Mapletree Logistics***, a warehouse operator in Singapore, as the recent slowdown in trade statistics suggests that there may have been excessive capacity installed recently.

Scientific Equipment (4.0 per cent of investments)

We have recently introduced this theme and invest in manufacturers specialising in mass spectrometry, spectroscopy and chromatography. Looking for growth, companies around the world are raising their research budgets in order to launch innovative products. So ***Thermo Fisher Scientific***, ***Waters*** and ***Agilent Technologies*** and others have seen consistent sales growth. The largest customers are drug research companies which have faced greater scrutiny of the pricing of new drugs. But the scientific equipment companies also see growth from materials science and food and water testing.

Key holding: Thermo Fisher is one of the leading companies in the generic testing and the precision laboratory equipment markets.

Energy in a Gas Glut

This time last year the Company had around 13 per cent of its portfolio in oil fracking companies. It became apparent to us that fracking was working too well. Gas fracking had caused an oversupply which saw the Henry Hub gas price fall from US$12 per British Thermal Unit ('BTU') in the mid-2000s to just over US$2.75. Similarly, US domestic oil production was growing rapidly just as demand for commodities from emerging markets, such as China, was growing more modestly. So we sold the bulk of our holdings in this theme, allowing us to increase holdings in our Healthcare Costs and Infrastructure and Environment themes.

Set out overleaf are attribution tables showing both the performance of the themes and the individual stocks over the year to 30 June 2015.

Strategic Report (continued)

Investment Manager's Review (continued)

Five largest stock contributors

Company	Theme	Contribution %
AmerisourceBergen	Healthcare Costs	1.2
Bank of China	Emerging Market Consumer	1.1
Japan Airport Terminal	Asset Growth	1.0
China Merchant Holdings (International)	Distribution	1.0
Time Warner	Media Content	1.0

Five largest stock detractors

Company	Theme	Contribution %
Laredo Petroleum	Energy in a Gas Glut	(0.5)
EOG Resources	Asset Growth	(0.5)
St Joe	Asset Growth	(0.5)
Continental Resources	Energy in a Gas Glut	(0.3)
Ebara	Energy in a Gas Glut	(0.3)

Thematic attribution

Theme	Contribution %
Healthcare Costs	6.7
Asset Growth	2.1
Emerging Market Consumer	2.1
Mobile Data and e-Commerce	1.8
Retiree Spending Power	1.8
Media Content	1.6
Frontier Investments	1.5
Distribution	1.0
Infrastructure and Environment	0.2
Scientific Equipment	(0.1)
Energy in a Gas Glut	(1.7)

Gearing

As noted in the Chairman's Statement a US$16 million loan facility was set up in February. We can use this as and when we feel it appropriate (subject to any limits set by the Board). The facility has been agreed during a period when interest rates seem very modest, in a historic context. We will use gearing tactically and expect the level to fluctuate over time, reflecting both the number of investment opportunities we are seeing and our changing views on equity markets generally.

Portfolio yield/dividend

Our investment approach means that many of the companies in the portfolio are dividend-payers. They are also profitable and growing, which gives us optimism that the level of dividends will increase too. This should support the Company's progressive dividend policy, as highlighted in the Chairman's Statement. The current dividend for the year of 4.00 pence per share gives a yield of 1.2 per cent and scope for the Company's dividend to grow over time as our investments grow their underlying cashflows.

Outlook

The Company has enjoyed steady economic conditions over the last year. That seems to be changing. It may suit the US economy to raise interest rates at a time when this would not suit many emerging markets. Lower commodity prices are making conditions quite difficult in those emerging markets reliant on commodity exports, such as Brazil, South Africa, Russia and Indonesia. This does not seem to be offset by the benefit of cheaper fuel to Chinese or Indian consumers. As world growth slows, it may prove difficult to justify the valuations of many equities.

We believe that our themes support our investments, even when global growth slows. We have focussed the portfolio towards the themes and sectors less affected by the health of the world economy, substantially cutting our exposure to oil and property. Our defensive positioning should protect the portfolio as interest rates rise. Meanwhile, we believe over the longer term that the portfolio's high-quality, profitable, well-managed companies will be able to continue growing the value of their businesses whatever the economic conditions.

Simon Edelsten, Alex Illingworth and Rosanna Burcheri
Fund Managers

Investments

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Equities					
Google	North America	Information Technology	Mobile Data & eCommerce	1,831	2.3
J.P. Morgan Chase & Co.	North America	Financials	Asset Growth	1,706	2.1
Boston Scientific	North America	Healthcare	Healthcare Costs	1,653	2.0
Fresenius Medical Care	Europe	Healthcare	Healthcare Costs	1,614	2.0
VF	North America	Consumer Discretionary	Retiree Spending Power	1,597	2.0
National Grid	UK	Utilities	Infrastructure and Environment	1,577	2.0
Capitamall Trust	Developed Asia	Financials	Distribution	1,524	1.9
Walgreens Boots Alliance	North America	Consumer Staples	Healthcare Costs	1,523	1.9
HSBC Holdings	UK	Financials	Emerging Market Consumer	1,492	1.8
Carnival	North America	Consumer Discretionary	Retiree Spending Power	1,473	1.8
Top 10 equity investments				**15,990**	**19.8**
Capital One Financial	North America	Financials	Asset Growth	1,466	1.8
AmerisourceBergen	North America	Healthcare	Healthcare Costs	1,459	1.8
Time Warner	North America	Consumer Discretionary	Media Content	1,443	1.8
Mastercard	North America	Information Technology	Mobile Data & eCommerce	1,434	1.8
Spectra Energy	North America	Energy	Infrastructure and Environment	1,378	1.7
Colgate Palmolive	North America	Consumer Staples	Emerging Market Consumer	1,370	1.7
TLG Immobilien	Europe	Financials	Asset Growth	1,359	1.7
LVMH	Europe	Consumer Discretionary	Emerging Market Consumer	1,358	1.7
Apple	North America	Information Technology	Media Content	1,347	1.6
Express Scripts Holding	North America	Healthcare	Healthcare Costs	1,342	1.6
Top 20 equity investments				**29,946**	**37.0**
Facebook	North America	Information Technology	Mobile Data & eCommerce	1,333	1.6
Edison International	North America	Utilities	Infrastructure and Environment	1,318	1.6
Premier	North America	Healthcare	Healthcare Costs	1,306	1.6
Mitsubishi UFJ Financial Group	Japan	Financials	Asset Growth	1,303	1.6
Adidas	Europe	Consumer Discretionary	Retiree Spending Power	1,297	1.6
Dominion Resources	North America	Utilities	Infrastructure and Environment	1,293	1.6
Nike	North America	Consumer Discretionary	Retiree Spending Power	1,293	1.6
Bayer	Europe	Healthcare	Healthcare Costs	1,275	1.6
Hoya	Japan	Healthcare	Emerging Market Consumer	1,251	1.6
Thermo Fisher Scientific	North America	Healthcare	Scientific Equipment	1,228	1.6
Top 30 equity investments				**42,843**	**53.0**
China Merchants Holdings (International)	Developed Asia	Industrials	Distribution	1,227	1.5
Lamar Advertising	North America	Financials	Media Content	1,205	1.5
China Mobile	Developed Asia	Telecommunication Services	Mobile Data & eCommerce	1,204	1.5
Essilor International	Europe	Healthcare	Emerging Market Consumer	1,198	1.5
SunTrust Banks	North America	Financials	Asset Growth	1,194	1.5
Smith & Nephew	UK	Healthcare	Healthcare Costs	1,190	1.5
Novartis	Europe	Healthcare	Healthcare Costs	1,190	1.5
Global Logistic Properties	Developed Asia	Financials	Distribution	1,182	1.4
Shimano	Japan	Consumer Discretionary	Retiree Spending Power	1,172	1.4
Walt Disney	North America	Consumer Discretionary	Media Content	1,156	1.4
Top 40 equity investments				**54,761**	**67.7**

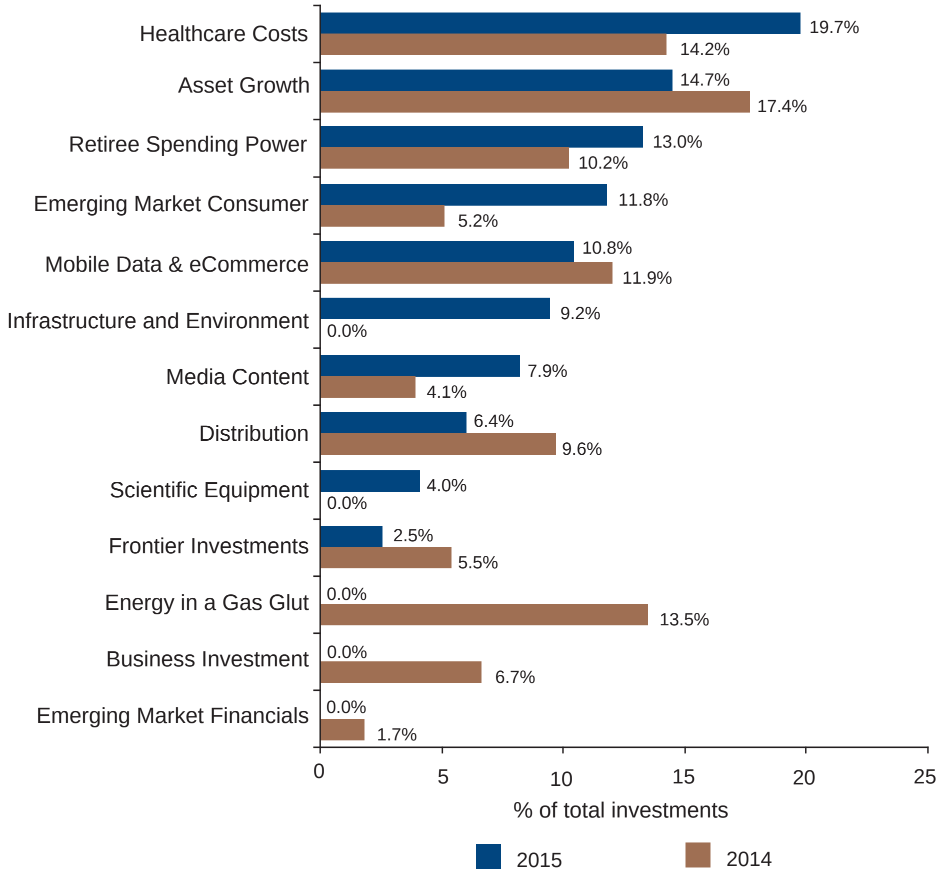
Strategic Report (continued)

Investments (continued)

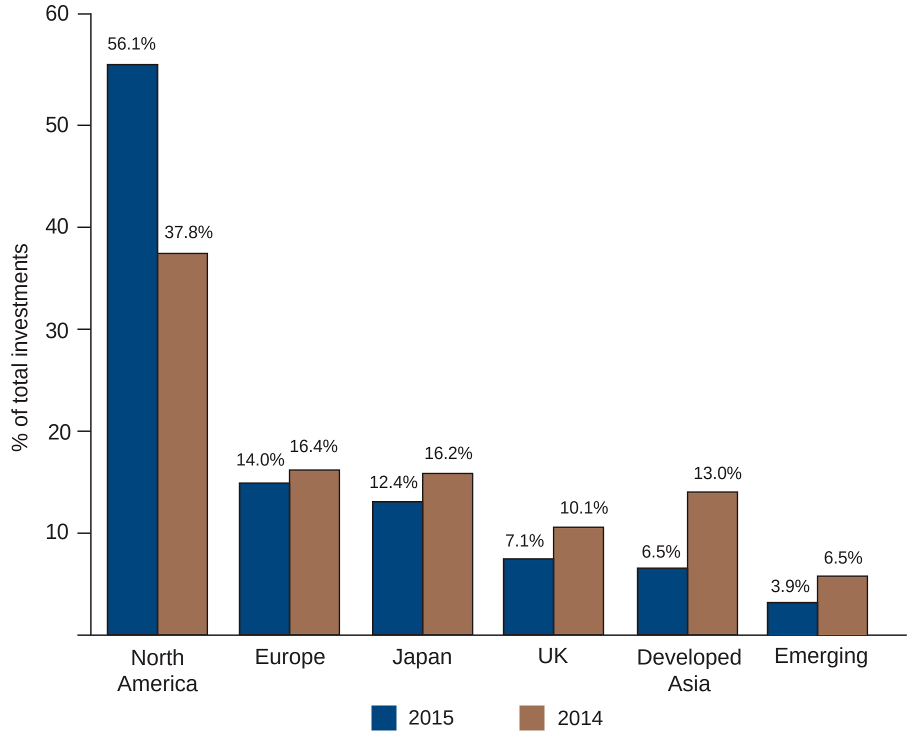
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Sysco	North America	Consumer Staples	Distribution	1,156	1.4
Allergan	North America	Healthcare	Healthcare Costs	1,097	1.4
Grupo Televisa[1]	North America	Consumer Discretionary	Media Content	1,093	1.4
Cabela's	North America	Consumer Discretionary	Retiree Spending Power	1,082	1.3
Henry Schein	North America	Healthcare	Retiree Spending Power	1,060	1.3
Amazon.com	North America	Consumer Discretionary	Mobile Data & eCommerce	1,049	1.3
Agilent Technologies	North America	Healthcare	Scientific Equipment	1,046	1.3
Medipal Holdings	Japan	Healthcare	Healthcare Costs	1,038	1.3
Burberry Group	UK	Consumer Discretionary	Emerging Market Consumer	973	1.2
L'Oreal	Europe	Consumer Staples	Emerging Market Consumer	958	1.2
Top 50 equity investments				**65,313**	**80.8**
Yamaha Motor	Japan	Consumer Discretionary	Retiree Spending Power	941	1.2
EOG Resources	North America	Energy	Asset Growth	939	1.2
Endo International	North America	Healthcare	Healthcare Costs	933	1.2
Mizuho Financial Group	Japan	Financials	Asset Growth	920	1.1
Waters	North America	Healthcare	Scientific Equipment	893	1.1
Ecolab	North America	Materials	Infrastructure and Environment	876	1.1
Fujitec	Japan	Industrials	Infrastructure and Environment	861	1.1
Nippon Telegraph & Telephone	Japan	Telecommunication Services	Mobile Data & eCommerce	847	1.0
Ryman Hospitality Properties	North America	Financials	Asset Growth	829	1.0
Eastern Tobacco	Emerging	Consumer Staples	Frontier Investments	824	1.0
Top 60 equity investments				**74,176**	**91.8**
SK Telecom	Emerging	Telecommunication Services	Mobile data & eCommerce	814	1.0
House Foods Group	Japan	Consumer Staples	Emerging Market Consumer	755	0.9
Swiss Prime Site	Europe	Financials	Asset Growth	745	0.9
Fujifilm Holdings	Japan	Information Technology	Asset Growth	732	0.9
Letshego Holdings	Emerging	Financials	Frontier Investments	653	0.8
East African Breweries	Emerging	Consumer Staples	Frontier Investments	507	0.6
Doric Nimrod Air One	UK	Industrials	Asset Growth	375	0.5
Giant Manufacturing	Emerging	Consumer Discretionary	Retiree Spending Power	333	0.4
Ferro Alloy Resources[2]	Emerging	Materials	Asset Growth	10	–
NBNK Investments (warrants)	UK	Financials	Asset Growth	–	–
Total equity investments (70)				**79,100**	**97.8**
Bonds					
Royal Bank of Scotland 0% 10/08/16[2]	Europe	Financials	Asset Growth	74	0.1
Total bond investments				**74**	**0.1**
Forward foreign exchange contracts					
Bought 6,505,636 US Dollars – 18 September 2015				4,139	5.1
Sold 802,750,000 Japanese Yen – 18 September 2015				(4,178)	(5.1)
Total forward foreign exchange contracts				**(39)**	**–**
Total investments				**79,135**	**97.9**
Net current assets (excluding bank loans)				6,328	7.8
Bank loans				(4,622)	(5.7)
Total net assets				**80,841**	**100.0**

1 American Depositary Receipt.
2 Unquoted security.

Thematic analysis of the portfolio as at 30 June



Regional analysis of the portfolio as at 30 June



Strategic Report (continued)

Strategy and Business Review

Corporate strategy and operating environment

The Company is incorporated in Scotland and operates as an investment trust company and is an investment company within the meaning of Section 833 of the Companies Act 2006 (the 'Act'). Its business as an investment trust is to buy and sell investments with the aim of achieving the investment objective and policy outlined below. The Company has been approved as an investment trust in accordance with the requirements of Section 1158 of the Corporation Taxes Act 2010 which remains subject to the Company continuing to meet the eligibility conditions and ongoing requirements of the regulations. The Board will manage the Company so as to continue to meet these conditions.

The Company has no employees and delegates most of its operational functions to a number of service providers, details of which are set out later in the report.

Objective and investment policy

The objective of the Company is to achieve capital and income growth by investing on a worldwide basis.

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 per cent of the portfolio. The Company will not invest more than 15 per cent of its gross assets in UK listed investment companies. Assets other than equities will 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 but to ensure diversification there can be between 40 and 140 holdings and the portfolio is managed on a global basis rather than as a series of regional sub-portfolios.

It is an aim of the Company to provide dividend growth over time, although this is subordinate to the primary aim of maximising total returns to shareholders.

While there is a comparative index for the purpose of measuring performance, 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.

Current and future developments

A summary of the Company's developments during the year ended 30 June 2015, together with its prospects for the future, is set out in the Chairman's Statement on pages 4 and 5 and the Investment Manager's Review on pages 6 to 8. 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 regularly considers the ongoing development and strategic direction of the Company, including its promotion and the effectiveness of communication with shareholders.

Key Performance Indicators ('KPIs')

The performance of the Company is reviewed regularly by the Board which 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**

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

- **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.

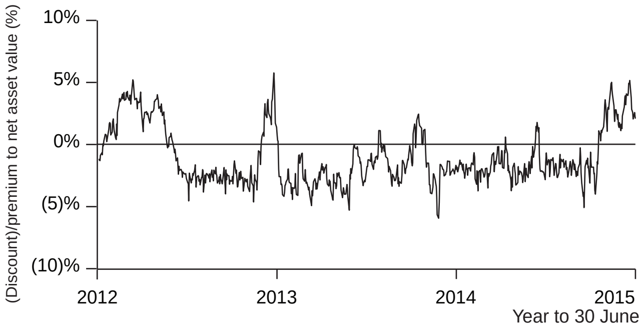
Discrete annual total returns

Year ended 30 June	Net asset value (at fair value)	Share price	MSCI All Country World Index
2011	26.4%	37.8%	21.3%
2012	(7.3)%	(7.9)%	(4.3)%
2013	11.7%	12.8%	20.5%
2014	11.7%	8.4%	9.1%
2015	17.2%	21.7%	9.5%

- **Share price (discount)/premium 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 per share. In October 2012 the Board confirmed its intention to limit the discount 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 natural liquidity in the market and buy back shares when there is excess supply. Further details of the shares issued and bought back during the year are set out in the Share Capital section below.

Share price (discount)/premium to net asset value



Source: Datastream/Morningstar.

- **The ongoing charges ratio**

The Board is mindful of the ongoing costs to shareholders of running the Company and monitors operating expenses on a regular basis. The Company's current ongoing charges ratio is 0.8 per cent (2014: 0.8 per cent).

- **The dividend per share**

The Board is committed to growing the dividends paid to shareholders, in addition to capital growth. It monitors the revenue returns generated by the Company during the year and against this determines the dividends to be paid. Subject to approval of the final dividend by shareholders, total dividends of 4.00 pence per share (2014: 3.80 pence per share) will be paid in respect of the year ended 30 June 2015.

Other matters

Principal risks and risk management

The Board, 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. Further information on the Company's internal controls is set out in the corporate governance section of the Directors' Report on pages 18 to 21. As an investment company the main risks relate to the nature of the individual investments and the investment activities generally. These include market price risk, foreign currency risk, interest rate risk, credit and counterparty risk and liquidity risk.

A summary of the key areas of risk and uncertainties are set out below.

- *Strategic*: the suitability of the Board's strategy for the development of the Company in the current marketplace and the effectiveness of the Board to deliver it. The Board meets regularly and considers the ongoing suitability of the Company's strategy as part of its review of the Company's performance. The Nomination Committee reviews the effectiveness of the Board annually.

- *Investment*: the management of the portfolio of the Company to achieve its investment objective and policy. The Company's investments are selected on their individual merits and the performance of the portfolio is not likely to track the wider market (represented by the MSCI All Country World Index). The Board believes this approach will continue to generate good long-term returns for shareholders. Risk will be diversified through a broad range of investments being held. The Board discusses the investment portfolio and its performance with the Investment Manager at each Board meeting. The Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the extent of the losses. If borrowing facilities are not renewed, the Company may 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 every meeting.

- *Regulatory*: failure to comply with the requirements of a framework of regulation and legislation, within which the Company operates. The Company relies on the services of the Company Secretary and Investment Manager to monitor ongoing compliance with relevant regulations and legislation.

- *Operational*: failure of the Investment Manager's and/or any third party service providers' systems which could result in an inability to report accurately and monitor the Company's financial position. The Investment Manager has established a business continuity plan to facilitate continued operation in the event of a major service disruption or disaster and carries out oversight and monitoring of third party service providers.

Further information on risks and uncertainties and the management of them are set out in the Directors' Report on pages 20 and 21 and in note 19 of the notes to the financial statements.

Share capital

During the year the Company bought back 577,440 (2014: 3,863,369) ordinary shares representing 2.6 per cent of the issued share capital as at 1 July 2014. All of the shares purchased are held in treasury.

The Company issued 3,115,488 (2014: nil) ordinary shares from treasury during the year representing 13.8 per cent of the issued share capital as at 1 July 2014. All of the shares were issued at the prevailing net asset value on the date of issue.

Resolutions to continue to be authorised to issue and buy back shares will be put to shareholders at the AGM on 2 November 2015. Approval of these resolutions by shareholders will allow the Directors to continue to manage the liquidity of the Company's shares by buying back or issuing shares either side of a 2 per cent band relative to the net asset value.

Strategic Report (continued)

Strategy and Business Review (continued)

Directors

The Directors of the Company and their biographical details are set out on page 15. Each of the Directors held office throughout the year under review.

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 priority in appointing a new director is to identify the candidate with the best range of skills and experience to complement existing directors.

The Board is currently comprised of five male Directors. The Company does not have any employees.

Social and environmental matters

The Company has delegated the management of the Company's investments to Artemis which, in its capacity as Investment Manager, 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 may, 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.

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, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within the underlying investment portfolio.

Borrowings

The Company may use borrowings to support its investment strategy and its Articles of Association (the 'Articles') allow the Company to borrow up to 30 per cent of its net assets. The Company had two 3-year fixed rate loans with Scotiabank of €3 million and £2.5 million which expired on 20 February 2015. These loans were replaced with a US$16 million revolving credit facility which will be available to the Company until 19 February 2018. As at 30 June 2015, US$7.3 million was drawn down from this facility, however, at this date the Company had a cash balance of £5.5 million, therefore the Company had no gearing.

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

Leverage

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 by its Articles to borrow up to 30 per cent of its net assets (determined as 130 per cent under the Commitment and Gross ratios). The Company is permitted to have additional leverage of up to 100 per cent of its net assets, which results in permitted total leverage of 230 per cent 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 since the adoption of the requirements of the AIFMD. At 30 June 2015, the Company's leverage was 121.7 per cent as determined using the Commitment method and 116.2 per cent using the Gross method.

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.

Financial statements

The financial statements of the Company are included on pages 29 to 45 of this report.

For and on behalf of the Board

Richard Burns
Chairman

24 August 2015

Directors and Corporate Governance

Directors

Richard Burns (Chairman)

Richard Burns became a Director of the Company at the time of the listing of its shares in 1981 and became Chairman on 30 June 2012. He is Chairman of the Nomination Committee. He qualified as a solicitor in 1971 and he joined Baillie Gifford in 1973 as a trainee investment manager, becoming a partner in 1977 and was joint senior partner from 1999 until his retiral in April 2006. He is Chairman of Standard Life Equity Income Trust PLC and JP Morgan Indian Investment Trust PLC and a director of Polaris Publishing Limited.

Harry Morgan

Harry Morgan became a Director of the Company in 2012. He is currently Chief Investment Officer at Anderson Strathern Asset Management Limited. He has spent his career managing portfolios for private clients and charities, serving as head of investment management at Adam & Company and in senior roles at Newton Investment Management and Edinburgh Fund Managers. He has an MBA with Distinction from the Edinburgh Business School, and is a Chartered Fellow of the Chartered Institute for Securities & Investment. He was elected a non-executive director of the Association of Investment Companies in 2014.

Russell Napier

Russell Napier became a Director of the Company in 2009 and Chairman of the Audit Committee shortly thereafter. 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' at The Edinburgh Business School. He is a director of the Didasko Education Company Limited, Orlock Advisors Limited and the Scottish Investment Trust PLC.

Alan Scott

Alan Scott became a Director of the Company in 2012. He has over 25 years' experience in banking, within the Royal Bank of Scotland Group, across various divisions including Retail, Corporate and Wealth. In 2003 he joined Adam & Company International in Guernsey as a relationship manager for a portfolio of offshore clients and trusts and in 2004 moved to Adam & Company's onshore operations, where he is an associate director, relationship management, providing a range of wealth management services to a portfolio of private banking clients.

Malcolm Scott, QC (Senior Independent Director)

Malcolm Scott, QC became a Director of the Company in 1990. He was educated at Trinity College, Glenalmond and thereafter at Gonville & Caius College, Cambridge and Glasgow University. He became an Advocate in 1978 and a QC in 1991.

All Directors are members of the Nomination and Audit Committees.

Directors and Corporate Governance (continued)

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 2015.

Results and dividends

The net return on ordinary activities after tax for the year ended 30 June 2015 was £10,484,000 (2014: £7,281,000). The total revenue return available to shareholders was £960,000 (2014: £1,048,000). Further details can be found in the income statement on page 29.

The Directors are recommending the payment of a final dividend of 2.65 pence per share. If approved at the AGM, this will be payable on 6 November 2015, to shareholders on the register on 16 October 2015. This will result in total dividends for the year of 4.00 pence (2014: 3.80 pence).

With effect from 1 July 2014 the Company has allocated its investment management fees and finance costs 25 per cent to revenue and 75 per cent to capital to reflect the expected split of long-term returns from the Company's portfolio. Prior to this, 50 per cent of these fees were allocated to each of the revenue and capital reserves.

Management and management fees

The Company's investments are managed by 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 cent per annum of the net asset value of the Company. The agreement may be terminated by either party on six months notice.

Simon Edelsten, Alex Illingworth and Rosanna Burcheri are the day-to-day fund managers. Artemis is authorised and regulated by the Financial Conduct Authority and at 30 June 2015 had £21.6 billion of assets under management.

The Board annually reviews the Company's engagement of the Investment Manager, 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. The last review was undertaken at a board meeting held on 17 August 2015 and the Board believes that Artemis' continuing appointment, on its existing terms, remains in the best interests of the Company's shareholders.

Alternative Investment Fund Managers Directive ('AIFMD')

As a result of the Company complying with the requirements of the AIFMD, Artemis Fund Managers Limited ('Artemis') was appointed as the Alternative Investment Fund Manager ('AIFM') to the Company on 15 July 2014. 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.

Information in relation to the leverage of the Company is provided in the Strategic Report on page 14 and details of the monitoring undertaken of the liquidity of the portfolio is provided in note 19 in the notes to the financial statements. The AIFMD requires certain disclosures, including details of the Company's strategy and policies, administration arrangements and risk management and monitoring to be made available to investors in the Company before they invest. These are available at midwynd.co.uk. Any material changes to the information disclosed there is required to be reported in the Company's Annual Financial Report. There have been no material changes to this information requiring disclosure in the Annual Financial Report.

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

A requirement of the AIFMD is the appointment of a depositary, which has responsibility for the oversight of certain administrative and custodial procedures and for the safeguarding of the Company's assets. J.P. Morgan Europe Limited has been appointed as the Depositary for the Company.

Directors' insurance and indemnification

Directors' and Officers' liability insurance cover is held 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. 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 2015, the capital structure of the Company was 25,038,509 (2014: 22,500,461) ordinary shares of 5 pence each. The Company has only one class of share and each share confers the right to one vote to every member present in person or by proxy at any general meeting of the Company where voting on the business of the Company is carried out by way of a show of hands or by way of a poll. There are no restrictions relating to the holding or transfer of the Company's shares and there are no special rights attached to any of the shares. Holders of the Company's shares may, by ordinary resolution, declare dividends, provided such dividends are not in excess of any dividends recommended by the Directors. Dividends can only be paid out of the Company's profits available for distribution.

The Company is not aware of any agreements between shareholders which may result in the restriction on the transfer of shares or of the voting rights.

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 per cent of the voting rights attaching to the ordinary shares in issue.

Name	Number of ordinary shares in issue as at 24 August 2015	% of shares in issue
Brewin Dolphin Limited	1,381,224	5.5
Mr Michael MacPhee	1,158,315	4.6
Mr Richard Burns – beneficial	847,500	3.4
– non-beneficial	119,500	0.5
Mr Simon Edelsten	947,800	3.8

Details of share buybacks undertaken by the Company are disclosed in the Strategic Report on page 13. Further information on the share capital of the Company is detailed in note 12 of the notes to the financial statements.

Additional shareholder information

There are no agreements which the Company is party to that might affect its control following a takeover bid; and there are no agreements between the Company and its Directors concerning compensation for loss of office.

As stated in the Strategic Report on page 14, the Company does not have any greenhouse gas emissions. Details of the Company's borrowings are also included in the Strategic Report on page 14.

Going concern

The Directors, having considered the 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. For this reason they continue to adopt the going concern basis in the preparation of the financial statements.

AGM

Details of the 2015 AGM are set out in the Notice of Meeting on pages 46 to 50. Resolutions in relation to the buyback and allotment of shares, including the re-issue of treasury shares, are set out below.

Authority to allot shares and disapply pre-emption rights

Resolution 11 in the Notice of Meeting seeks to renew the Directors' general authority to allot new shares in the Company up to an aggregate nominal value of £416,891. This amount represents approximately 33.3 per cent of the Company's total ordinary share capital in issue (excluding treasury shares) as at 24 August 2015 (the latest practicable date prior to publication of this document) and meets institutional guidelines.

Resolution 12, which is proposed as a special resolution, seeks to provide the Directors with authority to allot new equity securities and to sell ordinary shares held in treasury on a non-pre-emptive basis for cash (i.e. without first offering them to existing shareholders pro-rata to their existing shareholdings) up to an aggregate nominal amount of £187,788 (representing approximately 15 per cent of the issued share capital (excluding treasury shares) of the Company as at 24 August 2015) (the latest practicable date prior to publication of this document). The authorities sought in Resolutions 11 and 12 will continue until the conclusion of the annual general meeting to be held in 2016.

The Directors appreciate that the authority sought by Resolution 12 is higher than the limit recommended by the Pre-Emption Group in its Statement of Principles on Dissapplying Pre-Emption Rights. The Directors intend to use the authorities which will be conferred by Resolutions 11 and 12 at times when the share price stands at a premium to net asset value and market liquidity is unable to meet demand. The Directors will not make any issue of new ordinary shares to investors unless they consider it advantageous to the Company to do so, and no issue of ordinary shares will be made pursuant to the authorisation in Resolution 12 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Authority to buyback shares

The Company's existing authority to make market purchases of up to 14.99 per cent of the issued ordinary share capital will expire at the forthcoming AGM. The Directors consider that the Company should continue to have authority to make market purchases of its own shares and accordingly Resolution 13 will be proposed as a special resolution at the forthcoming AGM to renew that authority.

The maximum price which may be paid for purchases of ordinary shares through the market will not exceed the

Directors and Corporate Governance (continued)

Directors' Report (continued)

higher of: (i) 5.0 per cent above the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the relevant shares for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for any number of ordinary shares, as applicable, on the trading venue where the purchase is carried out.

The authority to make market purchases, if conferred, will only be exercised if the Directors are of the opinion that the net asset value per ordinary share will be enhanced for the continuing shareholders and it is considered to be in the best interests of shareholders generally or if the overall financial position of the Company was to benefit from such purchases. If the Company purchases any shares under this authority, it may cancel such shares or hold them in treasury. The Directors believe it is advantageous for the Company to have this choice. No dividends would be paid on treasury shares and the Company cannot exercise any rights (including any right to attend or vote at meetings) in respect of those shares. Shares will only be re-sold from treasury at, or at a premium to, the prevailing net asset value per ordinary share.

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.

Corporate Governance

Compliance

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') issued in February 2013. This statement outlines how the principles of the AIC Code were applied throughout the financial year. The AIC Code has been endorsed by the Financial Reporting Council (the 'FRC') and compliance with the AIC Code enables the Company to meet its obligations in relation to the provisions of the FRC's Code of Corporate Governance, insofar as they relate to the Company's business. The Board considers that in the course of the year, and up to the date of this report, the Company has complied with the AIC Code. Set out below is how the Company applied the principles of the AIC Code.

An update to the AIC Code was published in February 2015 which applies to accounting periods beginning on or after 1 October 2014. It is the Board's intention that the Company will continue to comply with the terms of the AIC Code going forward.

All Directors on the Board of the Company are non-executive and the Company's day-to-day responsibilities are delegated to third party service providers.

Board responsibilities

The Board is responsible for determining the strategic direction of the Company. It meets 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.

No one individual has unfettered powers of decision. The Chairman, Richard Burns, 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 15 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 Company's Senior Independent Director is Malcolm Scott, QC. This position is reviewed annually.

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 next annual general meeting. Directors are required to submit themselves for re-election at least once every three years and Directors who have served for more than nine years will be subject to an annual re-election, providing that the Nomination Committee and the Board remain satisfied that the relevant Director's continuing appointment and independence is not impaired by his length of service.

The Board does not consider that the length of time served by a Director is as important as his contribution to the running of the Company, or that it necessarily impairs his independence. Each situation will be rigorously reviewed on a case-by-case basis to ensure that a Director's independence is maintained and that his continuing appointment is in the best interests of the Company.

Appointment of Directors and performance evaluation

Directors are appointed subject to the provisions of the Act and the Company's Articles. The Directors of the Company have not been appointed subject to a service contract. The terms and conditions of Directors' appointment are set out in formal letters of appointment which are available for inspection on request at the registered office of the Company.

Richard Burns and Malcolm Scott, QC, having served on the Board for more than nine years, offer themselves for re-election annually. Harry Morgan, Russell Napier and Alan Scott also offer themselves for re-election at the AGM in accordance with the requirement to offer themselves for re-election at every third annual general meeting.

Following a formal performance evaluation, and in the case of Richard Burns and Malcolm Scott, QC notwithstanding their length of service, the Board has concluded that all Directors continue to demonstrate independence of character and judgement and their skills and experience enhance the collective strength of the Board. The Board believes that none of the other commitments of the Directors, as set out on page 15 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.

Director	Date of appointment	Due for re-election
Richard Burns	25 September 1981	AGM 2015
Harry Morgan	21 May 2012	AGM 2015
Russell Napier	10 August 2009	AGM 2015
Alan Scott	21 May 2012	AGM 2015
Malcolm Scott, QC	12 February 1990	AGM 2015

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 review is based on a process of 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 is satisfied that it continues to have an appropriate balance of skills and experience and therefore supports the resolutions to re-elect all the Directors at the forthcoming AGM.

Induction and training

New Directors appointed to the Board will be 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.

Board committees

Two Board Committees (Audit and Nomination), each with written terms of reference, have been established. As the Board is currently comprised of five independent non-executive Directors, all Directors are members of each Committee. 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 or on the Company's website at midwynd.co.uk. The Chairman of the Board acts as Chairman for the Nomination Committee and the Audit Committee is chaired by Russell Napier.

The Company Secretary acts as the Secretary to each Committee.

Directors and Corporate Governance (continued)

Directors' Report (continued)

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 and in accordance with the Remuneration Policy approved by shareholders. The Company's Remuneration Policy is set out on page 23 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 25 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 undertakes an annual performance evaluation of the Board, led by the Chairman. 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.

As detailed in the Strategic Report on page 14, the Board supports the principles of diversity in the boardroom, and 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	6	2	1
Richard Burns	6	2	1
Harry Morgan	6	2	1
Russell Napier	5	2	1
Alan Scott	6	2	1
Malcolm Scott, QC	6	2	1

Relations with shareholders

The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. The Board aims to ensure that shareholders are kept fully informed of developments in the Company's business through the Annual and Half-Yearly Financial Reports, as well as the daily announcement of the net asset values of the Company's ordinary shares to the London Stock Exchange. The Investment Manager produces a monthly factsheet which can be found on the Company's website at midwynd.co.uk, along with other information on the Company. The Investment Manager meets with the major shareholders of the Company periodically.

All shareholders are encouraged to attend and vote at the AGM, during which the Board and Investment Manager will be available to discuss issues affecting the Company. 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. All Directors intend to attend this year's AGM, details of which are set out in the Notice of Meeting on pages 46 to 50 of this report.

UK Stewardship Code

Artemis has endorsed the UK Stewardship Code. This sets out the responsibilities of institutional investors in relation to the companies in which it invests and a copy of this can be found on the Investment Manager's website at artemis.co.uk.

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 artemis.co.uk.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery.

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.

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 shareholders' interests and the Company's assets. 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. Any breaches of these, or of any law or regulation the Company is required to comply with, are reported to the Board on a quarterly basis.

Both the Investment Manager and the Administrator have established internal control frameworks to 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 will be kept under ongoing, and at least a six monthly, review.
- 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 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.

Further information on the risks and the management of them is set out in the Strategic Report on page 13 and note 19 of the notes to the financial statements.

The Directors consider that the Annual Report and Accounts, 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
24 August 2015

Directors and Corporate Governance (continued)

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

Management Report

Listed companies are required by the Financial Conduct Authority's Disclosure Rules and Transparency Rules (the 'Rules') to include a management report in their annual financial statements. The information required to be in the management report for the purpose of the Rules is included in the Strategic Report (pages 4 to 14). Therefore no separate management report has been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report and the Company's 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement.

The financial statements are published on a website, midwynd.co.uk, maintained by the Company's Investment Manager, Artemis Fund Managers Limited. The maintenance and integrity of the corporate and financial information relating to the Company is the responsibility of the Investment Manager. 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 2015 and of the profit for the year then ended; and

(b) 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

Richard Burns
Chairman
24 August 2015

Directors' Remuneration Policy

In accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 'Regulations') the remuneration policy of the Company was approved by shareholders at the annual general meeting held on 27 October 2014. The votes received were as follows:

Votes cast for		Votes cast against		Total	Number of votes
Number	%	Number	%	votes cast	withheld
3,045,124	99.9	3,814	0.1	3,048,938	11,108

The policy will apply until 27 October 2017 (being three years from the date of shareholders approval of the policy) unless renewed, varied or revoked by shareholders at a general meeting and is as follows.

Fees payable to Directors 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 £125,000 per annum and shareholder approval is required for any changes to this. 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, relevant independent research and any comments received from shareholders.

Each Director is entitled to a base fee. The Chairman of the Board is paid a higher fee than the other Directors, to reflect the additional work required to be carried out in this role. The Chairman of the Audit Committee receives an additional fee to reflect the additional responsibilities and work associated with the role.

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.

No changes have been made, or are proposed to be made, to the Remuneration Policy of the Company as approved by shareholders at the annual general meeting held on 27 October 2014, however, the Company's policy and the overall remuneration of each Director will continue to be monitored by the Board taking into account those matters referred to in the annual statement above.

To date no comments have been received from shareholders in respect of the Remuneration Policy.

Directors' Remuneration Report

The Directors are pleased to present the Company's remuneration report for the year ended 30 June 2015, produced in accordance with the Regulations.

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 27 and 28.

In accordance with the Regulations, an ordinary resolution, Resolution 2, to approve this report will be put to shareholders at the AGM.

The Board

During the year ended 30 June 2015 the Board was comprised entirely of independent non-executive Directors. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time.

Each Director is 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 next annual general meeting. Directors are required to submit themselves for re-election at least once every three years and Directors who have served for more than nine years will be subject to an annual re-election, providing that the Nomination Committee and the Board of Directors remain satisfied that the relevant Director's continuing appointment and independence is not impaired by their length of service.

Following a detailed review of Directors fees by the Board on 11 May 2015, carried out in accordance with the Directors Remuneration Policy, it was agreed that the fees, which were last changed on 1 July 2011, be increased to reflect the amount of time Directors spend on Company matters. It has been agreed that with effect from 1 July 2015 the Chairman will be paid a fee of £22,000 per annum with each of the other Directors being entitled

Directors and Corporate Governance (continued)

Directors' Remuneration Policy and Report (continued)

to fees of £16,000 per annum. Russell Napier, in recognition of his role as Chairman of the Audit Committee, will receive an additional £2,000 per annum over his basic fee.

The Board has not relied upon the advice or services of any person to assist in making its remuneration decisions but did consider the fees paid to directors of comparable investment trusts.

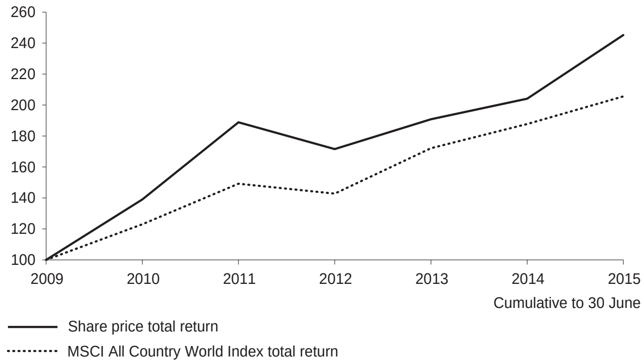
The Directors do not have a contract of service with the Company but are instead appointed by letters of appointment. The letters are available for inspection at the registered office of the Company.

Directors' fees (audited)

The Directors who served during the year to 30 June 2015 and 30 June 2014 received the following fees:

Director	Year ended 30 June 2015	Year ended 30 June 2014
Richard Burns	£19,000	£19,000
Harry Morgan	£14,000	£14,000
Russell Napier	£15,500	£15,500
Alan Scott	£14,000	£14,000
Malcolm Scott, QC	£14,000	£14,000
	£76,500	**£76,500**

Performance graph



The performance graph above sets out the Company's net asset value and share price total return from 1 July 2009, compared to the total return of a notional investment in the MSCI All Country World Index.

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 27 October 2014, in respect of the approval of the Directors' Remuneration Report:

Votes cast for		Votes cast against		Total	Number of votes
Number	%	Number	%	votes cast	withheld
3,046,469	99.9	3,814	0.1	3,050,283	9,763

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 2015	Holding as at 30 June 2014
Richard Burns	Beneficial	847,500	812,500
	Non-beneficial trustee	119,500	119,500
Harry Morgan	Beneficial	10,000	7,000
Russell Napier	Beneficial	264,325	273,825
Alan Scott	Beneficial	150,000	150,000
	Beneficial trustee	140,000	140,000
Malcolm Scott, QC	Beneficial	581,690	581,690
	Non-beneficial trustee	250,000	250,000

On 27 July 2015, Russell Napier sold 16,000 shares in the Company. There have been no other changes to the above holdings up to the date of this report. None of the Directors, nor any persons connected with them, had a material interest in any of the Company's transactions, arrangements or agreements during the year under review. There is no requirement for a Director to hold shares in the Company.

On behalf of the Board and in accordance with the Regulations, I confirm that the Directors' Remuneration Report for the year ended 30 June 2015 summarises the review undertaken and the decisions made regarding the fees paid to the Board.

Richard Burns
Chairman
24 August 2015

Report of the Audit Committee

Roles and responsibilities

The main responsibilities of the Audit Committee include monitoring the integrity of the Company's financial statements, the appropriateness of its accounting policies, reviewing the internal control systems and the risks to which the Company is exposed. It is also responsible for making recommendations to the Board regarding the appointment and independence of the Auditor, the objectivity and effectiveness of the audit process, monitoring the non-audit services provided to the Company by its Auditor and approving the financial statements and confirming to the Board that they are fair, balanced and understandable.

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

Composition and meetings

All Directors are members of the Audit Committee and are considered to have relevant and recent financial and investment experience as a result of their employment in financial services and other industries. It meets at least twice per 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.

Internal audit and controls

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties. The Audit Committee considers annually whether there is a need for an internal audit function, and has agreed that it remains appropriate for the Company to rely on the internal controls that exist within its third party service providers.

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. The Audit Committee reports its findings and recommendations to the Board.

Appointment and remuneration of Auditor

Scott-Moncrieff was appointed as Auditor to the Company on 10 June 2002. No tender for the audit of the Company has been undertaken since this date. The fees paid to Scott-Moncrieff in respect of audit services are disclosed in note 4 of the notes to the financial statements. As part of its review of the continuing appointment of the Auditor ahead of making a recommendation to the Board, the Audit Committee considered the quality of service provided by, and the effectiveness of, the Auditor, the length of tenure of the audit firm, its fees and independence from the Investment Manager, along with any matters raised during the audit.

Scott-Moncrieff has expressed its willingness to continue in office as independent Auditor. After careful consideration of the services provided during the year and a review of its effectiveness, the Audit Committee recommended to the Board that Scott-Moncrieff should be re-appointed as Auditor. Accordingly, resolutions are proposed at the forthcoming AGM for its re-appointment and to authorise the Directors to agree its remuneration.

Audit for the year ended 30 June 2015

As part of the planning for the annual audit, the Audit Committee reviewed the audit plan produced by the Auditor, which highlighted the level of materiality applied by the Auditor, its key perceived audit risks and the scope of the audit.

Following this review, which included a discussion with the Auditor and the Investment Manager, the Audit Committee considered the main risks that arise in relation to the financial statements to be the valuation of investments, misappropriation of company assets and revenue recognition.

As part of the annual audit, the Auditor has agreed the valuation of all listed investments in the portfolio to independent pricing providers, and for unquoted investments, reviewed the valuation bases with the Investment Manager, considering recent transactions, underlying investee operating performance and capital structures to assess the appropriateness of the valuations.

The Auditor also validated the existence of all the securities held by the Company to the records of the Custodian. The Auditor has specific tests it uses as part of its review of the financial statements to provide assurance that the figures in the financial statements, including the revenue of the Company, are complete and accurate.

The Audit Committee met with the Audit Partner responsible for the Company's audit at the Audit Committee meeting held on 17 August 2015 to discuss any matters arising from the annual audit. The Auditor reported that there were no significant matters to be reported and an unqualified audit opinion on the financial statements has been provided on page 28.

Audited information

The Directors who held office at the date of approval of this Annual Report and Accounts 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.

The Audit Committee considers that the Annual Report and Accounts, 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.

Directors and Corporate Governance (continued)

Report of the Audit Committee (continued)

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 per cent of the annual audit fee.

During the year, Scott-Moncrieff was engaged to assist in the preparation and submission of the Company's annual tax returns to HM Revenue & Customs. The fees paid to the Auditor for providing these services to the Company are disclosed in note 4 of the notes to the financial statements.

By order of the Board

Russell Napier
Chairman of the Audit Committee

24 August 2015

We have audited the financial statements of Mid Wynd International Investment Trust PLC for the year ended 30 June 2015, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities on page 22, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinon on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of risks of material misstatement

We identified the following risks that we believe have the greatest impact on the audit strategy:

- investment portfolio valuation;
- revenue recognition; and
- misappropriation of company assets.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the level of error that would change the opinion of the reader of the financial statements.

When establishing our overall audit strategy, we determined the level of uncorrected misstatement that would be material for the financial statements as a whole to be £800,000, which is 1 per cent of net assets (net assets being a key performance indicator for investors in the Company).

Materiality for revenue transactions was determined to be £14,000, as we believe readers of the financial statements will be more sensitive to variances in the revenue account.

We agreed with the Audit Committee that we would report to them individual and extrapolated errors in excess of a threshold of £2,000, as well as differences below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

The way in which we scoped our audit in order to address the assessed risks of material misstatement was as follows:

Investment portfolio valuation

The holdings of all investments were reconciled to the custodian report. All year end valuations were agreed to appropriate external sources.

Revenue recognition

The income recorded for a sample of securities was checked to appropriate external sources. We paid particular attention to any "special dividends" and their accounting treatment. A sample of investment disposals was agreed to contract notes to ensure these were recorded correctly.

Independent Auditor's Report (continued)

Misappropriation of company assets

We reviewed the accounting records for any significant transactions that were outside the normal course of business.

The Audit Committee's consideration of these risks is set out on page 25.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its return 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 Companies Act 2006.

Opinion 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;
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Conduct Authority (information about internal control and risk management systems in relation to financial reporting processes and share capital structure) is consistent with the financial statements.

Matters on which we are required to report by exception

Under the International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept and 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 return; 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.

Under the Listing Rules we are required to review:

- the Directors' statement on page 17 in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the Corporate Governance Code specified for our review.

We have nothing to report in respect of any of the above matters.

Iain D Lee (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh EH3 8BL
24 August 2015

Income Statement

For the year ended 30 June

	Notes	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Gains on investments	9	–	9,645	9,645	–	6,601	6,601
Currency gains/(losses)	13	–	270	270	–	(5)	(5)
Income	2	1,405	–	1,405	1,603	–	1,603
Investment management fee	3	(91)	(273)	(364)	(178)	(178)	(356)
Other administrative expenses	4	(216)	(39)	(255)	(230)	(120)	(350)
Net return before finance costs and taxation		**1,098**	**9,603**	**10,701**	**1,195**	**6,298**	**7,493**
Finance costs of borrowings	5	(27)	(79)	(106)	(65)	(65)	(130)
Net return on ordinary activities before taxation		**1,071**	**9,524**	**10,595**	**1,130**	**6,233**	**7,363**
Tax on ordinary activities	6	(111)	–	(111)	(82)	–	(82)
Net return on ordinary activities after taxation		**960**	**9,524**	**10,484**	**1,048**	**6,233**	**7,281**
Net return per ordinary share	**8**	**4.13p**	**40.95p**	**45.08p**	**4.08p**	**24.27p**	**28.35p**

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. No operations were acquired or discontinued during the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 33 to 45 are an integral part of the financial statements.

Financial Statements (continued)

Balance Sheet

As at 30 June

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Non-current assets					
Investments held at fair value through profit or loss	9		79,135		66,328
Current assets					
Debtors	10	1,992		643	
Cash and cash equivalents	19	5,460		1,288	
		7,452		1,931	
Creditors					
Amounts falling due within one year	11	(5,746)		(5,417)	
Net current assets/(liabilities)			1,706		(3,486)
Total net assets			**80,841**		**62,842**
Capital and reserves					
Called up share capital	12		1,343		1,343
Capital redemption reserve	13		16		16
Share premium	13		6,650		4,983
Capital reserve	13		71,146		54,904
Revenue reserve	13		1,686		1,596
Shareholders' funds			**80,841**		**62,842**
Net asset value per ordinary share	**14**		**322.87p**		**279.29p**

The financial statements of Mid Wynd International Investment Trust PLC (company registration number SC042651) were approved and authorised for issue by the Board and were signed on 24 August 2015.

Richard Burns
Chairman

The accompanying notes on pages 33 to 45 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 June 2015

	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 2014		1,343	16	4,983	54,904	1,596	62,842
Net return on ordinary activities after taxation	13	–	–	–	9,524	960	10,484
Sale of shares from treasury	12	–	–	1,667	8,332	–	9,999
Shares purchased and held in treasury	12	–	–	–	(1,614)	–	(1,614)
Dividends paid	7	–	–	–	–	(870)	(870)
Shareholders' funds at 30 June 2015		**1,343**	**16**	**6,650**	**71,146**	**1,686**	**80,841**

For the year ended 30 June 2014

	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 2013		1,343	16	4,983	59,010	1,435	66,787
Net return on ordinary activities after taxation		–	–	–	6,233	1,048	7,281
Shares purchased and held in treasury	12	–	–	–	(10,339)	–	(10,339)
Dividends paid	7	–	–	–	–	(887)	(887)
Shareholders' funds at 30 June 2014		**1,343**	**16**	**4,983**	**54,904**	**1,596**	**62,842**

The accompanying notes on pages 33 to 45 are an integral part of the financial statements.

Financial Statements (continued)

Cash Flow Statement

For the year ended 30 June

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Net cash inflow from operating activities	15		692		763
Servicing of finance					
Interest paid		(106)		(130)	
Net cash outflow from servicing of finance			(106)		(130)
Financial investment					
Purchases of investments		(114,199)		(77,153)	
Sales of investments		110,287		87,998	
Realised currency loss		(10)		(174)	
Net cash (outflow)/inflow from financial investment			(3,922)		10,671
Equity dividends paid	7		(870)		(887)
Net cash (outflow)/inflow before financing			(4,206)		10,417
Financing					
Shares purchased and held in treasury	12	(1,621)		(10,332)	
Issue of shares from treasury	12	9,999		–	
Net cash inflow/(outflow) from financing			8,378		(10,332)
Increase in cash	16		**4,172**		**85**
Reconciliation of net cash flow to movement in net cash/(debt)	16				
Increase in cash in the year			4,172		85
Currency gains on bank loans			280		169
Movement in net debt in the year			4,452		254
Net debt at 1 July			(3,614)		(3,868)
Net cash/(debt) at 30 June			**838**		**(3,614)**

The accompanying notes on pages 33 to 45 are an integral part of the financial statements.

1. 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 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009 by the Association of Investment Companies (the 'AIC').

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 income statement.

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

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 with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board.

(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 income statement as capital or revenue as appropriate.

(d) 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.

(e) 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. Equity investment income includes distributions from Collective Investment Schemes excluding equalisation, which is treated as a capital item. 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.

Interest from fixed interest securities is recognised on an effective interest rate basis.

Underwriting commission and interest receivable on deposits are recognised on an accruals basis.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows: 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, in which case they have been charged 25:75 to the revenue account and capital reserve for the year ended 30 June 2015. This change was made following a review of the basis of allocation. Up to 30 June 2014 such costs were allocated 50:50 to the revenue account and capital reserve.

(g) Finance costs

Loan interest is accounted for on an accruals basis and for the year ended 30 June 2015 has been allocated 25:75 to the revenue account and capital reserve. Prior to that, such costs were allocated 50:50 to the revenue account and capital reserve. Loan breakage costs are charged to the capital reserve.

Financial Statements (continued)

Notes to the Financial Statements (continued)

(h) Deferred taxation

Deferred taxation is provided on all timing differences which have originated but not reversed by the balance sheet date, 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 likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(i) Dividend distributions

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which the dividends are approved by the Company's shareholders.

(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 retranslated at the closing rates of exchange at the balance sheet date, with the exception of forward foreign exchange contracts which are valued at the forward rate ruling at the balance sheet 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 account 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. Up to 30 June 2014, 50 per cent of investment management fees and finance costs together with any associated tax relief were allocated to the capital reserve in accordance with the Company's objective of combining capital and income growth. From 1 July 2014, 75 per cent of these costs have been allocated to this reserve in line with the Company's expected split of long-term returns. 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.

2. Income

	2015 £'000	2014 £'000
Income from investments		
Overseas dividends	1,270	1,096
UK dividends	134	266
Overseas interest	–	241
	1,404	**1,603**
Other income		
Bank interest	1	–
	1	–
Total income	**1,405**	**1,603**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	1,404	1,362
Interest from financial assets designated at fair value through profit or loss	–	241
Other income	1	–
	1,405	**1,603**

3. Investment management fee

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Investment management fee	91	273	364	178	178	356

Details of the investment management fee are set out in the Directors' Report on page 16. As at 30 June 2015, £104,000 (2014: £54,000) was outstanding in respect of amounts due to the Investment Manager.

4. Other administrative expenses

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Directors' renumeration (see Directors' Remuneration Report on pages 23 and 24)	76	–	76	76	–	76
Auditor's remuneration (excluding VAT):						
– Fees for the audit of the Company's annual financial report	13	–	13	13	–	13
– Other services supplied relating to taxation	3	–	3	–	–	–
Custody fees	15	9	24	25	–	25
Printing fees	17	–	17	23	–	23
Registrar fees	16	–	16	14	–	14
Stock Exchange fees	12	–	12	6	–	6
Depositary fees	10	–	10	–	–	–
Directors' & Officers' insurance	7	–	7	6	–	6
Other expenses	47	30	77	67	120	187
	216	**39**	**255**	**230**	**120**	**350**

5. Finance costs of borrowings

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Loan interest	25	74	99	65	65	130
Loan non-utilisation fee	2	5	7	–	–	–
	27	**79**	**106**	**65**	**65**	**130**

6. Tax on ordinary activities

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Overseas taxation	111	–	111	82	–	82
Total tax	**111**	**–**	**111**	**82**	**–**	**82**

	2015 £'000	2014 £'000
The tax charge for the year is lower than the average standard rate of corporation tax in the UK (20.75%). The differences are explained below:		
Net return on ordinary activities before taxation	10,595	7,363
Net return on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	2,198	1,657
Effects of:		
Taxable losses in the year not utilised	121	130
Overseas tax – non offsettable	111	82
Income not taxable (UK dividends)	(28)	(60)
Income not taxable (overseas dividends)	(234)	(243)
Capital returns not taxable	(2,057)	(1,484)
Current tax charge for the year	**111**	**82**

Financial Statements (continued)

Notes to the Financial Statements (continued)

6. Tax on ordinary activities (continued)

As an investment trust, the Company's capital returns are not taxable.

The standard rate of corporation tax in the UK changed from 21 per cent to 20 per cent on 1 April 2015.

Factors that may affect future tax charges

At 30 June 2015 the Company had a potential deferred tax asset of £485,000 (2014: £367,000) 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. The potential deferred tax asset has been calculated using a corporation tax rate of 20 per cent. 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

	2015	2014	2015 £'000	2014 £'000
Amounts recognised as distributions in the year:				
Previous year's final dividend	2.50p	2.10p	549	550
Interim dividend	1.35p	1.30p	321	337
	3.85p	**3.40p**	**870**	**887**

Set out below are the total dividends paid and payable in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £960,000 (2014: £1,048,000).

	2015	2014	2015 £'000	2014 £'000
Dividends paid and payable in respect of the year:				
Interim dividend per ordinary share	1.35p	1.30p	321	337
Proposed final dividend per ordinary share	2.65p	2.50p	664	549
	4.00p	**3.80p**	**985**	**886**

8. Net return per ordinary share

	2015 Revenue	2015 Capital	2015 Total	2014 Revenue	2014 Capital	2014 Total
Net return on ordinary activities after taxation	4.13p	40.95p	45.08p	4.08p	24.27p	28.35p

Revenue return per ordinary share is based on the net revenue on ordinary activities after taxation of £960,000 (2014: £1,048,000), and on 23,254,943 (2014: 25,684,721) 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 gain for the financial year of £9,524,000 (2014: £6,233,000), and on 23,254,943 (2014: 25,684,721) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

There are no dilutive or potentially dilutive shares in issue.

9. Fixed assets – investments

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition in accordance with Financial Reporting Standard ('FRS') 29 'Financial Instruments: Disclosures'. The following tables provide an analysis of these investments based on the fair value hierarchy 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 with quoted prices in an active market;

Level 2 – investments whose fair value is based directly on observable current market prices or is indirectly being derived from market prices; and

Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Level 1		
Listed equities	79,090	66,060
Listed debt securities	–	96
Level 2		
Forward foreign exchange contracts	(39)	–
Level 3		
Unquoted debt	74	164
Unquoted equities	10	8
Total financial asset investments	**79,135**	**66,328**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Cost of investments held at 1 July 2014	62,656	–	597	63,253
Investment holding gains/(losses) at 1 July 2014	3,500	–	(425)	3,075
Fair value of investments held at 1 July 2014	66,156	–	172	66,328
Movements in year:				
Purchases at cost	114,830	–	–	114,830
Sales – proceeds	(111,001)	(667)	–	(111,668)
– gains on sales	10,049	667	–	10,716
Changes in investment holding gains/(losses)	(944)	(39)	(88)	(1,071)
Fair value of investments held at 30 June 2015	**79,090**	**(39)**	**84**	**79,135**
Cost of investments held at 30 June 2015	76,534	–	597	77,131
Investment holding gains/(losses) at 30 June 2015	2,556	(39)	(513)	2,004
Fair value of investments held at 30 June 2015	**79,090**	**(39)**	**84**	**79,135**

The purchases and sales proceeds figures above include transaction costs of £164,000 on purchases (2014: £74,000) and £126,000 on sales (2014: £48,000), making a total of £290,000 (2014: £122,000).

The gains and losses included in the above table have all been recognised in the income statement on page 29. The Company believes that other reasonably possible alternative valuations for its Level 3 holdings would not be significantly different from those included in the financial statements. During the year there was a decrease in the value of one Level 3 asset, Royal Bank of Scotland 0% 10/08/16 (£90,000).

Financial Statements (continued)

Notes to the Financial Statements (continued)

10. Debtors

	2015 £'000	2014 £'000
Sales for subsequent settlement	1,850	469
Income accrued (net of overseas withholding tax)	88	89
Other debtors and prepayments	54	85
	1,992	**643**

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. Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Bank loans	4,622	4,902
Purchases for subsequent settlement	951	320
Other creditors and accruals	173	188
Stamp duty on buybacks	–	7
	5,746	**5,417**

12. Called up share capital

	2015 Number	2015 £'000	2014 Number	2014 £'000
Allotted, called up and fully paid ordinary shares of 5 pence each	25,038,509	1,252	22,500,461	1,125
Ordinary shares of 5 pence each held in treasury	1,825,321	91	4,363,369	218
Total	**26,863,830**	**1,343**	**26,863,830**	**1,343**

The Company is permitted to hold ordinary shares bought back 'in treasury'. Such treasury shares may be subsequently either sold for cash (at, or at a premium to, the net asset value per ordinary share) or cancelled. In the year to 30 June 2015 a total of 577,440 ordinary shares (2014: 3,863,369) were bought back at a total cost of £1,614,000 (including stamp duty) (2014: £10,339,000) and are held in treasury. Under the provisions of the Company's Articles the share buybacks were funded from the capital reserve.

A total of 3,115,488 ordinary shares (2014: nil) were issued from treasury for proceeds of £9,999,000 (2014: £nil).

The Company did not allot any ordinary shares during the year ended 30 June 2015 (2014 – nil).

13. 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 2014	1,343	16	4,983	54,904	1,596	62,842
Gains on sales of investments	–	–	–	10,716	–	10,716
Currency gains on bank loans	–	–	–	280	–	280
Finance cost of borrowings	–	–	–	(79)	–	(79)
Other currency losses	–	–	–	(10)	–	(10)
Expenses charged to capital	–	–	–	(312)	–	(312)
Shares purchased and held in treasury	–	–	–	(1,614)	–	(1,614)
Shares re-issued from treasury	–	–	1,667	8,332	–	9,999
Changes in investment holdings gains/(losses)	–	–	–	(1,071)	–	(1,071)
Revenue return on ordinary activities after taxation	–	–	–	–	960	960
Dividends paid	–	–	–	–	(870)	(870)
At 30 June 2015	**1,343**	**16**	**6,650**	**71,146**	**1,686**	**80,841**

The capital reserve includes investment holding gains on fixed asset investments of £2,004,000 (2014: £3,075,000) as disclosed in note 9.

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

14. 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, calculated in accordance with the Articles of Association, were as follows:

	2015		2014	
	Net asset value	Net assets £'000	Net asset value	Net assets £'000
Ordinary shares	322.87p	80,841	279.29p	62,842

The movements during the year of the assets attributable to the ordinary shares were as follows:

	2015 £'000	2014 £'000
Total net assets at 1 July	62,842	66,787
Total recognised gains and losses for the year	10,484	7,281
Shares purchased and held in treasury	(1,614)	(10,339)
Shares issued from treasury	9,999	–
Dividends paid	(870)	(887)
Total net assets at 30 June	**80,841**	**62,842**

Net asset value per ordinary share is based on net assets as shown above and on 25,038,509 (2014: 22,500,461) ordinary shares, being the number of ordinary shares in issue (excluding treasury shares) at the year end.

Financial Statements (continued)

Notes to the Financial Statements (continued)

15. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net return before finance costs and taxation	10,701	7,493
Gains on investments	(9,645)	(6,601)
Currency (gains)/losses	(270)	5
Effective interest rate adjustment	–	(19)
Decrease/(increase) in accrued income	1	(45)
Decrease/(increase) in other debtors and prepayments	31	(53)
(Decrease)/increase in creditors	(15)	65
Overseas tax suffered	(111)	(82)
Net cash inflow from operating activities	**692**	**763**

16. Analysis of change in net (debt)/cash

	At 1 July 2014 £'000	Cash flows £'000	Currency gains £'000	At 30 June 2015 £'000
Cash at bank and in hand	1,288	4,172	–	5,460
Bank loans	(4,902)	–	280	(4,622)
	(3,614)	**4,172**	**280**	**838**

17. Contingent liabilities, guarantees and financial commitments

At 30 June 2015 and 30 June 2014 the Company had no contingent liabilities, guarantees or financial commitments.

18. 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 notes 3 and 11, respectively. The existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under FRS 8 'Related Party Disclosures' the Investment Manager is not considered to be a related party.

19. 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 and counterparty 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 12. In the period under review the Company entered into a number of forward foreign exchange contracts. At the year end there was one open position. Further details can be found in note 9 and in the investment portfolio on page 10.

Aside from the additional liquidity risk monitoring procedures introduced to comply with the Alternative Investment Fund Managers Directive ('AIFMD'), the risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

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 9 to 11.

(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 can 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 2015	Investments £'000	Forward foreign exchange contracts £'000	Cash and cash equivalents £'000	Bank loans £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	44,484	4,139	459	(4,622)	949	45,409
Euro	9,060	–	–	–	29	9,089
Japanese yen	9,820	(4,178)	–	–	10	5,652
Singapore dollar	2,706	–	–	–	–	2,706
Hong Kong dollar	2,431	–	2	–	25	2,458
Swiss franc	1,935	–	–	–	16	1,951
Egyptian pound	824	–	515	–	–	1,339
Korean won	814	–	–	–	3	817
Other overseas currencies	1,493	–	–	–	2	1,495
Total exposure to currency risk	**73,567**	**(39)**	**976**	**(4,622)**	**1,034**	**70,916**
Sterling	5,607	–	4,484	–	(166)	9,925
	79,174	**(39)**	**5,460**	**(4,622)**	**868**	**80,841**

At 30 June 2014	Investments £'000	Forward foreign exchange contracts £'000	Cash and cash equivalents £'000	Bank loans £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	25,214	–	896	–	(137)	25,973
Euro	8,659	–	–	(2,402)	285	6,542
Japanese yen	10,768	–	–	–	27	10,795
Singapore dollar	4,336	–	–	–	–	4,336
Hong Kong dollar	4,324	–	–	–	21	4,345
Swiss franc	2,049	–	–	–	21	2,070
Egyptian pound	911	–	–	–	–	911
Korean won	681	–	–	–	–	681
Other overseas currencies	2,737	–	–	–	3	2,740
Total exposure to currency risk	**59,679**	**–**	**896**	**(2,402)**	**220**	**58,393**
Sterling	6,649	–	392	(2,500)	(92)	4,449
	66,328	**–**	**1,288**	**(4,902)**	**128**	**62,842**

Financial Statements (continued)

Notes to the Financial Statements (continued)

19. Financial instruments (continued)

Market risk (continued)

(i) Currency risk (continued)

Currency risk sensitivity

At 30 June 2015, if sterling had strengthened by 5 per cent 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 per cent weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the financial statements amounts. The analysis is performed on the same basis for 2014.

	2015 £'000	2014 £'000
US dollar	2,270	1,299
Euro	454	327
Japanese yen	283	540
Singapore dollar	135	217
Hong Kong dollar	123	217
Swiss franc	98	104
Egyptian pound	67	46
Korean won	41	34
Other overseas currencies	75	137
	3,546	**2,921**

(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.

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 2015 and 30 June 2014 is shown overleaf.

Financial assets

	2015 Fair value £'000	2015 Weighted average interest rate	2015 Weighted average period until maturity	2014 Fair value £'000	2014 Weighted average interest rate	2014 Weighted average period until maturity
Fixed rate:						
Euro bonds	–	–	–	96	5.0%	0.7 years
US dollar bonds	74	–	N/A	164	–	N/A

The cash deposits generally comprise all call deposits or short-term money market deposits with original maturities of less than three months, which are repayable on demand. The rate which determines the interest payments received on cash balances is the Bank of England base rate.

Financial liabilities

The interest rate risk profile of the Company's bank loans and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 30 June 2015 and 30 June 2014 are shown below.

Interest rate exposure

	2015 £'000	2014 £'000
US Dollar denominated (floating rate of US LIBOR plus 0.9 per cent per annum)	4,622	–
Sterling denominated (fixed rate at 2.653 per cent per annum)	–	2,500
Euro denominated (fixed rate at 2.478 per cent per annum)	–	2,402
	4,622	**4,902**

The Company had two three-year, fixed rate loan facilities with Scotiabank which matured on 20 February 2015.

On 19 February 2015, the Company entered into a three-year US$16 million revolving credit facility with Scotiabank, of which US$7.3 million was drawn down at 30 June 2015. Interest is charged at variable rates equivalent to 0.9 per cent over the US dollar London interbank market rate. The interest rate as at 30 June 2015 was 1.08675 per cent.

The main covenants relating to the revolving credit facility are:

(i) Total borrowings shall not exceed 33.33 per cent of the Company's investment portfolio.

(ii) The Company's minimum net asset value shall be £32 million.

Interest rate risk sensitivity

As the majority of the Company's financial assets are non-interest bearing 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.

Financial Statements (continued)

Notes to the Financial Statements (continued)

19. Financial instruments (continued)

Market risk (continued)

(iii) Other price risk (continued)

Other price risk sensitivity

Investments are valued at bid prices which equate to their fair value, and forward foreign exchange contracts are valued at their market value. A full list of the Company's investments and forward foreign exchange contracts is given on pages 9 to 10. In addition, an analysis of the investment portfolio by geographical split is given on page 11. A 5 per cent increase in quoted valuations at 30 June 2015 would have increased total assets, and total return on ordinary activities by £3,955,000 (2014: £3,308,000). A decrease of 5 per cent would have an equal but opposite effect.

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 buybacks, 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. The majority of the Company's investment portfolio is invested directly in liquid equities and this equity portfolio is monitored on an ongoing basis to ensure that it is adequately diversified. The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

There have been no material changes to the liquidity management systems and procedures since the adoption of the requirements of the AIFMD. 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:

- Where the Investment Manager makes an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question.
- The Company's listed investments are held on its behalf by J.P. Morgan Chase Bank N.A., the Company's custodian. 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 its 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 bank 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.
- Cash is only held at banks that are regularly reviewed by the Investment Manager.

Credit and counterparty risk exposure

The exposure to credit and counterparty risk at 30 June 2015 and 30 June 2014 was:

	2015 £'000	2014 £'000
Cash and deposits	5,460	1,288
Debtors and prepayments	1,992	643
Fixed interest investments	74	260
	7,526	**2,191**

As disclosed in note 9, the fair value of Royal Bank of Scotland 0% 10/08/16 decreased by £90,000 during the year following a review of the expected value of the investment at maturity. None of the Company's other financial assets are past due or impaired.

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. Given the fixed term nature of the Company's loan facilities that expired on 20 February 2015, they were stated in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. As at 30 June 2014 the book value of these loans was £4,902,000 and the fair value was £4,930,000.

Capital management

The capital of the Company is its share capital and reserves as set out in notes 12 and 13 together with its borrowings (see note 11). 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 on page 12. 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 17 and 20 to 21. The Company has the ability to issue and buy back its shares (see pages 17 and 18) and changes to the share capital during the year are set out in notes 12 and 14. The Company does not have any externally imposed capital requirements.

Shareholder information

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 42 Melville Street, Edinburgh EH3 7HA on Monday, 2 November 2015 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 Report and Financial Statements of the Company for the financial year ended 30 June 2015 together with the Report of the Directors.
2. To approve the Directors' Remuneration Report for the financial year ended 30 June 2015.
3. To declare a final dividend of 2.65 pence per ordinary share for the financial year ended 30 June 2015.
4. To re-elect Richard Burns 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 Malcolm Scott QC as a Director of the Company.
9. To re-appoint Scott-Moncrieff as Independent 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 Independent 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 £416,891, being equal to approximately 33.3 per cent of the Company's issued share capital (excluding treasury shares) as at 24 August 2015, 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 and 13 as special resolutions:

12. That, subject to the passing of Resolution 11 above (the 'Section 551 Resolution'), and 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 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 £187,788 being approximately 15 per cent of the nominal value of the issued share capital of the Company (excluding treasury shares), as at 24 August 2015; 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.

13. 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 3,753,272, or, if less, the number representing approximately 14.99 per cent 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 (excluding expenses) which may be paid for any ordinary share is the nominal value thereof;

    (c) the maximum price (excluding expenses) which may be paid for any ordinary share shall not be more than the higher of:

        (i) 5 per cent 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.

By order of the Board

Artemis Fund Managers Limited
Company Secretary
24 August 2015

Registered Office:
Cassini House
57 St James's Street
London SW1A 1LD

Shareholder information (continued)

Notice of Annual General Meeting (continued)

Notes

1. Attending the Meeting in person

   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 to attend, speak and vote at the Meeting. A proxy need not be a member of the Company but must attend the Meeting to represent a member. 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.

   If members wish their proxy to speak on their behalf at the Meeting, members will need to appoint their own choice of proxy (not the chairman of the Meeting) and give their instructions directly to them.

   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.

   The appointment of a proxy will not prevent a member from attending the Meeting and voting in person if he or she wishes.

   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.

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).

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 29 October 2015 (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.

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.co.uk.

11. Voting rights

As at 24 August 2015 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 26,863,830 ordinary shares, carrying one vote each of which 1,825,321 are held in treasury, which carry no voting rights. Therefore, the total voting rights in the Company as at 24 August 2015 were 25,038,509 votes.

12. Notification of shareholdings

Any person holding 3 per cent 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 per cent 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

Shareholder information (continued)

Notice of Annual General Meeting (continued)

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.

    Members who have any queries about the Meeting should contact the Company Secretarial Department by writing to Artemis Fund Managers Limited, Cassini House, 57 St James's Street, London, SW1A 1LD.

    Members may not use any electronic address provided in this notice or in any related documents (including the accompanying circular and 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 annual general 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 are set out on page 15 of the Company's Annual Financial Report for the year ended 30 June 2015.

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.co.uk.

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.

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.co.uk.

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 voucher 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 Investment Manager'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: richard.burns@artemisfunds.com.

Reporting calendar

Year End

30 June

Results announced

Interim: February

Annual: August

Dividends Payable

April and November

Annual General Meeting

November

Shareholder information (continued)

Investment Manager, Company Secretary and Advisers

Registered office
42 Melville Street
Edinburgh EH3 7HA

Website: midwynd.co.uk

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, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Tel: 0800 092 2051
Email: investor.support@artemisfunds.com
Website: artemis.co.uk

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

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

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

Banker & Custodian
J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Independent Auditor
Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Broker
J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

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