

Mid Wynd
International
Investment Trust *PLC*

Annual Financial Report
for the year ended
30 June 2017



ARTEMIS
The PROFIT Hunter

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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.

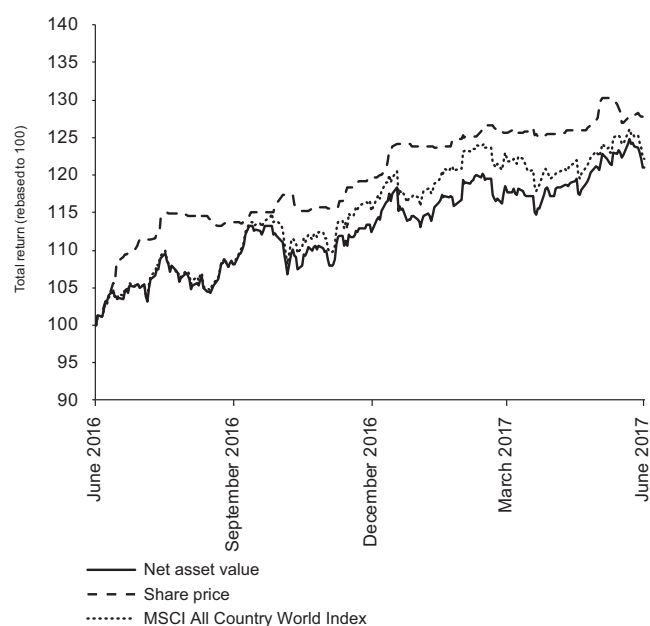
If you have sold or otherwise transferred all of your ordinary shares in Mid Wynd International Investment Trust PLC, please forward this document, together with any accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale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

Financial Highlights

Returns for the year ended 30 June 2017

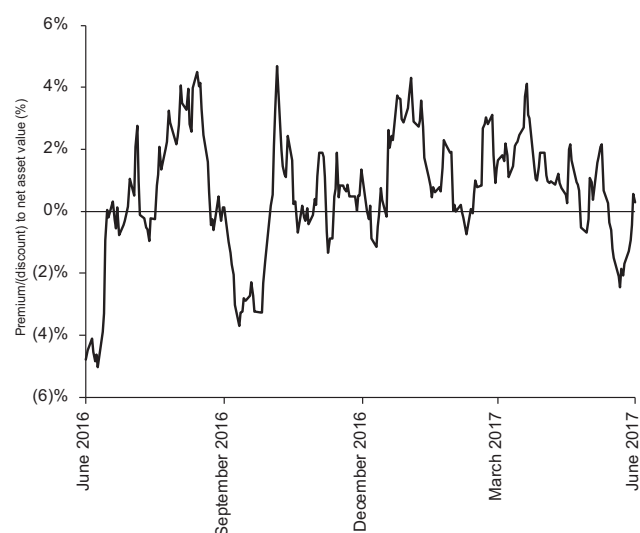
	Year ended 30 June 2017	Year ended 30 June 2016
Total returns		
Net asset value per share	21.0%	16.0%
Share price	27.5%	8.1%
MSCI All Country Index GBP	22.2%	13.3%
Revenue and dividends		
Revenue earnings per share	5.41p	5.78p
Dividends per share*	5.00p	4.50p
Ongoing charges	0.7%	0.7%
Capital	As at 30 June 2017	As at 30 June 2016
Net asset value per share	439.75p	369.70p
Share price	441.00p	352.00p
Gearing	–	0.9%

Performance for the year ended 30 June 2017



Source: Datastream/Morningstar.

(Discount)/premium during the year ended 30 June 2017



Source: Datastream/Morningstar.

Total returns to 30 June 2017	Since 1 May 2014**	3 years	5 years
Net asset value per share	68.0%	64.6%	105.2%
Share price	70.6%	67.9%	105.1%
MSCI All Country Index GBP	55.8%	51.6%	99.3%

Source: Artemis/Datastream.

* The final dividend for the year to 30 June 2017 of 0.38 pence per share will, if approved by shareholders, be paid on 10 November 2017 to shareholders on the register at the close of business on 6 October 2017. The Company's Registrar provides a Dividend Reinvestment Plan (see page 51) and the final date for receipt of elections for this dividend is 20 October 2017.

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

Ten year summary

At 30 June	Total assets (£'000) ¹	Borrowings (£'000)	Shareholders' funds (£'000)	Net asset value per share (at fair value) (p)	Share price (p)	Premium/ (discount) (%)	Dividends per share (p) ²	Ongoing charges (%)	Gearing (%) ³
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	–
2016	113,064	(5,438)	107,626	369.70	352.00	(4.8)	4.50	0.7	0.9
2017	146,907	(3,849)	143,058	439.75	441.00	0.3	5.00	0.7	–

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

² The 2008 dividend excludes the special dividend of 2.30 pence per share (0.46 pence if adjusted for the share split in October 2011). The 2017 dividend includes the proposed final dividend of 0.38 pence per share which is subject to shareholder approval at the Annual General Meeting.

³ Excess of total assets less cash and cash equivalents divided by shareholders' funds.

Source: Artemis.

Cumulative performance (from 30 June 2007)

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
2008	16.7%	4.2%	1.7%	0.7%	(8.5)%
2009	25.0%	2.2%	(19.0)%	(17.1)%	(21.9)%
2010	29.2%	6.7%	6.8%	17.5%	(3.9)%
2011	37.5%	11.3%	35.0%	61.9%	16.6%
2012	37.5%	13.8%	25.1%	49.1%	11.6%
2013	41.7%	16.8%	39.7%	68.1%	34.5%
2014	58.3%	19.2%	56.1%	82.2%	46.7%
2015	66.7%	19.6%	82.9%	121.7%	60.6%
2016	87.5%	20.7%	112.2%	139.8%	81.9%
2017	108.3%	24.0%	156.8%	205.7%	122.4%

¹ Source: Office for National Statistics.

² Source: Datastream/Morningstar.

Strategic Report

Chairman's Statement

Performance

For the year ended 30 June 2017 the Company's net asset value increased by 18.9%, which compares with a 19.9% rise in the MSCI All Country World Index GBP. On a total return basis, with dividends assumed to be reinvested, the return was 21.0% compared with the index return of 22.2%. Since Artemis' appointment, as investment manager on 1 May 2014, the net asset value has increased by 68.0%, on a total return basis, against the index's 55.8%.

Over the year the share price rose by 25.3% and at 30 June 2017 the shares stood at a 0.3% premium to net asset value having started the year at a discount of 4.8%. This starting position was as a result of the market's reaction to the results of the EU Referendum, held just over a week prior to the Company's 2016 year end, where the UK voted to exit the European Union. From mid-July the Company's shares reverted to trading within the targeted range. As shareholders are aware, the Company aims to have its shares trading within a 2% band relative to the net asset value.

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

Earnings and Dividend

The total return for the year ended 30 June 2017 was a gain of 76.97 pence per share, comprising a revenue gain of 5.41 pence per share and a capital gain of 71.56 pence per share. The Board is proposing a final dividend of 0.38 pence per share which, subject to approval by shareholders at the Annual General Meeting ('AGM'), will be paid on 10 November 2017 to those shareholders on the register at the close of business on 6 October 2017. An interim dividend of 1.70 pence per share was paid in April 2017.

In light of the share issues in May, detailed below, the Board elected to split the Company's dividend in respect of the six months to 30 June 2017. A second interim dividend of 2.92 pence per share, was paid to existing shareholders for the period from 1 January 2017 to 31 May 2017. This represented the total earnings for this period. All shareholders, including those participating in the share issues, will be entitled to receive the proposed final dividend which relates to the period from 1 June 2017 to 30 June 2017. It is expected that the Company will revert to the normal timetable of paying an interim dividend in April followed by a final dividend in November.

In accordance with the Board's aim of paying progressive dividends, the total dividend for the year of 5.00 pence per share represents an increase of 11.1% on the 4.50 pence per share paid in respect of the year ended 30 June 2016. This year's total dividend has been covered by earnings for the current year and a small amount has been retained in the Company's revenue reserve which will stand at

£1,332,000, representing 4.09 pence per share once the final dividend has been taken into account. Whilst the Board aims to grow the dividend progressively over time, it should not be assumed that this rate of growth will be replicated every year. The ability to retain a certain amount of income each year is a helpful feature of an investment trust and it provides a greater degree of investment flexibility. This reserve will be used as necessary to support the Company's aim of growing its dividend in future years.

Share capital

Since May 2015 the Company's shares have typically traded at a premium to net asset value. The Company will issue and re-purchase shares where necessary to maintain the share price within the 2% band relative to the net asset value. The Board's longer term strategic aim is to continue to increase the capital of the Company, thereby improving the liquidity in the shares and reducing the 'per share' running cost. Demand for the Company's shares continued during the year. In response to this, the Company issued 2,130,116 new shares raising £8.7 million to April 2017.

Shareholders will be aware that in May this year the Company announced a proposed issue of new shares through an Initial Placing, Offer for Subscription, Intermediaries Offer and a Share Issuance Programme to further increase the size of the Company. As a result, 1,289,464 shares were issued in early June raising £5.8 million. The Share Issuance Programme continues for the 12 months to May 2018 and enables the directors to continue to make periodic issues of shares to manage demand for the Company's shares.

In total, for the year to 30 June 2017, the Company issued 3,419,580 new shares raising £14.5 million.

Since the year end, a further 50,000 shares have been issued raising £229,000 for the Company.

Borrowings

In February 2015 the Company agreed a three-year, US\$16 million revolving credit facility with Scotiabank. This facility enables the Company to have flexibility in how its borrowings are utilised. The amount drawn, up to the maximum US\$16 million, can be increased or decreased depending on the Investment Manager's view on markets and investment opportunities. The Board, along with the Investment Manager, will review the Company's borrowing requirements prior to the current facility maturing in February 2018.

AGM

The AGM is to be held on Monday 6 November 2017 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 of proxy enclosed with this report.

Board changes

As I noted in my Chairman's Statement in the Half-Yearly Financial Report to 31 December 2016, David Kidd was appointed as a non-executive Director of the Company with effect from 8 November 2016. Further information on Mr Kidd, along with details of the other directors, is contained in their biographies on page 15. Upon my appointment as Chairman, in October 2016, Russell Napier took up the position of Senior Independent Director.

Outlook

World markets continued to perform strongly over the second half of the Company's financial year but with few signs of inflation. Looking forward, political and economic factors, especially in Europe and the United States, seem likely to worry markets: these include Brexit, the end of Quantitative Easing, and the future direction of interest rates. However, the companies which make up the portfolio have shown themselves generally able to weather political and economic change. It is expected these will provide, over the longer term, positive returns to shareholders as well as an element of protection should market conditions deteriorate.

Contact us

Shareholders can keep up to date with developments between formal reports by visiting midwynd.co.uk where 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 the Chairman at midwyndchairman@artemisfunds.com.

Malcolm Scott

6 September 2017

Strategic Report (continued)

Investment Manager's Review

Performance

The past year has been one of strong returns against a background of political turbulence and rising bond yields. Economic growth has generally been good around the world while inflation has remained very low, supporting equity markets. Despite many suggesting the bull market had run its course, the last year saw most of our core investments continue to grow their underlying cash flows and produce another strong year of real returns to our investors.

Over the year, the Company's share price rose by 25.3% from 352.0 pence to 441.0 pence. The net asset value excluding income rose from 369.70 pence to 439.75 pence up 18.9%. This compares with the MSCI All Country World Index which rose 18.8% in dollar terms, translating to a rise of 22.2% in sterling terms. The portfolio is managed with a bias towards protecting capital and this sometimes comes at the cost of underperforming strongly rising markets, as happened to a modest extent this year.

Regional performance

Region	Contribution %
North America	14.1
Europe	3.2
Emerging Markets	2.7
United Kingdom	1.4
Developed Asia	0.5
Japan	0.5

Thematic performance

Theme	Contribution %
Online Services	6.8
Emerging Market Consumer	3.0
Tourism	2.8
Healthcare Costs	2.2
Retiree Spending Power	2.1
Scientific Equipment	1.9
Bank Regulation	1.7
Media Content	1.4
High Quality Assets	0.6
Frontier Investments	(0.1)

Current investment themes

Online Services (21.6% of the portfolio) – The very high growth in revenues from internet based businesses continued to drive share prices, especially against a background of decent economic support for traditional businesses. We have a broad spread of modestly sized holdings because each investment in this area has challenges – competitors for the smaller companies, monopoly regulators for the larger. Also, all these investments are challenging to value as the longer term capital expenditure required to keep them competitive is hard to assess accurately. Furthermore, our valuation process identifies some companies in this area as much more attractive than others. Due to our valuation approach,

we sold one of the Company's largest investments, Amazon.com, close to year end, in part because we doubt that its acquisition of Whole Foods Market will enhance the company's growth prospects or margins.

Emerging Market Consumer (14.6% of the portfolio) – Our exposure to emerging markets worked well. LVMH had an exceptional year of growth and its shares have risen sharply and it has become one of the Company's largest investments. Our investments in China also continue to prosper and some of those who foretold a collapse in that economy now seem somewhat quiet. We have, however, taken some profits here.

Tourism (15.4% of the portfolio) – Tourism numbers rose strongly, especially in Asia. Dufry, the world's leading duty free company, performed well, as did Samsonite, a travel luggage company.

Media Content (12.8% of the portfolio) – Our media investments had a better year, with Time Warner agreeing to merge with AT&T. Disney, however, saw further subscribers leave its ESPN subscription sports channel. It seems as though new entrants, such as Netflix, are offering such a volume of quality programming at lower prices that traditional media is under pressure – as long as Netflix shareholders are content to fund the company without seeing any profits.

Healthcare Costs (10.7% of the portfolio) – We have positioned our portfolio towards companies which should cope well with changes in American healthcare. Our larger holdings in private health insurers in the USA are well placed to procure high quality care at economic rates and these companies have performed well over the year.

Scientific Equipment (8.0% of the portfolio) – This theme showed steady growth and strong cash generation. The most recent financial statements from this group are very encouraging for the year ahead.

Retiree Spending Power (4.3% of the portfolio) – This theme had a patchy year. Our investments in sports shoes saw high competition and we sold our holding in Asics, which also had to contend with a strong Yen, making exporting difficult.

Bank Regulation (6.2% of the portfolio) – We invested in a number of US banks in the summer of 2016. At that time their valuations appeared very modest, they seemed to be ahead of the capital requirements of regulators and there were prospects of improved lending margins as the US economy improved. The election of Donald Trump led investors to anticipate a reflationary environment and we took some profits in bank holdings which had performed strongly at that time. Since then, President Trump has moved to lighten regulations, but the improvement in borrowing demand has not appeared.

High Quality Assets (6.2% of the portfolio) – This part of the portfolio contains a number of property companies. These performed poorly when markets anticipated interest

rates would rise. We look forward to adding to these holdings as attractive dividend yields reappear.

Energy in a Gas Glut (0.0% of the portfolio) – The election of Donald Trump marked a reverse in America’s policy towards climate change. Many US states, such as California, will continue to head towards a more fuel efficient environment. However, the US decision to walk away from the Paris climate accord reduces the momentum for this theme so we have sold our holdings.

Five largest stock contributors to performance

Company	Theme	Contribution %
LVMH	Emerging Market Consumer	1.4
Charles Schwab	Online Services	1.1
Amazon.com	Online Services	1.0
Time Warner	Media Content	0.9
Mastercard	Online Services	0.9

Five largest stock detractors to performance

Company	Theme	Contribution %
DeNA	Media Content	(0.5)
China Mobile	Online Services	(0.3)
Publicis Groupe	Media Content	(0.3)
Continental Resources	Energy in a Gas Glut	(0.2)
Capital One Financial	Bank Regulation	(0.2)

Income

Alongside our investment approach is a recognition of the Board’s aim to grow the Company’s dividend. During the Company’s financial year there has been strong revenue and cashflow growth from our investments. We expect this to continue, at least in the near term. Dividends for the year increased from 4.50 pence to 5.00 pence, a rise of 11.1%.

Gearing

During the year we employed a portion of the Company’s US\$16 million borrowing facility to take advantage of investment opportunities. Ranging from 0.0% to 5.5%, gearing added 0.36% to overall performance.

Outlook

Market commentators seem increasingly gloomy – we do not agree. Stock markets have certainly performed well over the last seven years, but bull markets do not die of old age, nor does the economic cycle. We believe that major market set-backs tend to come from broad over-valuation of equities or unsupportable debt in economic systems. On the former point, the cash flows of our major investments have been reassuringly strong over the last year. On the latter point, the companies that we have selected for the portfolio, in aggregate, have very strong balance sheets. Indeed more than 35% of the portfolio is represented by companies that have a positive net cash position. Our policy of selecting companies that are financially strong should help the Company perform well compared with the benchmark index, or index trackers, were markets to become more troubled.

Since we assumed management of the Company in May 2014, we have taken a safety first approach. Our recent investments in financials gives the portfolio an element of balance in case inflation rears its head unexpectedly. We have continued to sell holdings when valuations look stretched and looked to reinvest in more modestly rated investment opportunities. It is pleasing once again to be able to say that this approach has led to strong real investment returns. No doubt, at some point, markets will turn more challenging and we will continue to balance the portfolio to address this, but we believe the companies in the portfolio will be able to weather many types of storm.

Artemis’ investment approach

Whilst we have described our approach in previous reports, we feel that it is worth reminding shareholders of it again as we see this as being a key feature for investors.

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

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

Once an investment opportunity has been identified, we will only commit capital to it when the price offers the chance to invest at a reasonable valuation. This valuation discipline is at the heart of all of our investment decisions. In terms of portfolio construction, this will reflect opportunities that meet our investment criteria and will not be weighted to a benchmark. Within the permitted range of the investment policy we aim to run a diversified portfolio, with around 55-70 holdings spread across 8 to 10 different themes.

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

Further information on our investment approach and the Company can be found on our website at midwynd.co.uk.

Simon Edelsten, Alex Illingworth & Rosanna Burcheri
Fund Managers

6 September 2017

Strategic Report (continued)

Investments

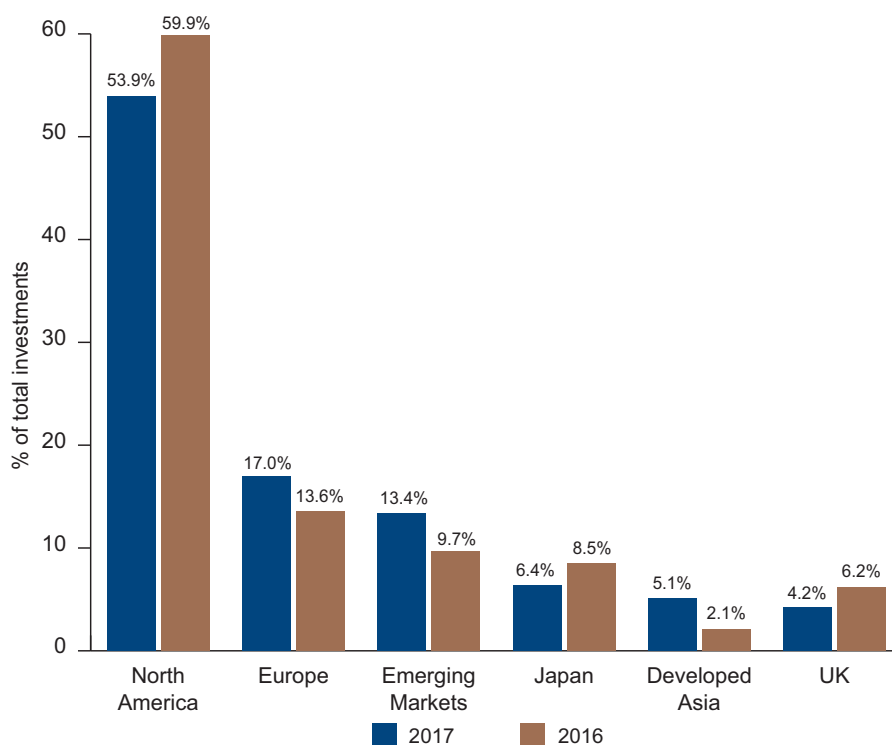
Investment	Region	Industry	Theme	Market value £'000	% of total net assets
Equities					
Time Warner	North America	Consumer Discretionary	Media Content	3,589	2.5
Thermo Fisher Scientific	North America	Health Care	Scientific Equipment	3,575	2.5
Fresenius Medical Care	Europe	Health Care	Healthcare Costs	3,554	2.5
LVMH	Europe	Consumer Discretionary	Emerging Market Consumer	3,511	2.5
Alphabet	North America	Information Technology	Online Services	3,468	2.4
Boston Scientific	North America	Health Care	Healthcare Costs	3,445	2.4
Avery Dennison	North America	Materials	Emerging Market Consumer	3,415	2.4
J.P. Morgan Chase	North America	Financials	Bank Regulation	3,402	2.4
Citigroup	North America	Financials	Bank Regulation	3,320	2.3
Oracle	North America	Information Technology	Online Services	3,306	2.3
Top 10 equity investments				34,585	24.2
UnitedHealth Group	North America	Health Care	Healthcare Costs	3,251	2.3
Mastercard	North America	Information Technology	Online Services	3,214	2.3
Equifax	North America	Industrials	Online Services	3,212	2.2
Amadeus IT	Europe	Information Technology	Tourism	3,106	2.1
Humana	North America	Health Care	Healthcare Costs	2,959	2.1
Essilor International	Europe	Health Care	Emerging Market Consumer	2,956	2.1
Agricultural Bank of China	Emerging Markets	Financials	Emerging Market Consumer	2,907	2.0
Microsoft	North America	Information Technology	Online Services	2,891	2.0
Facebook	North America	Information Technology	Online Services	2,889	2.0
Waters	North America	Health Care	Scientific Equipment	2,858	2.0
Top 20 equity investments				64,828	45.3
Agilent Technologies	North America	Health Care	Scientific Equipment	2,840	2.0
Priceline Group	North America	Consumer Discretionary	Tourism	2,798	1.9
Accenture	North America	Information Technology	Online Services	2,761	1.9
Walt Disney	North America	Consumer Discretionary	Media Content	2,733	1.9
Samsonite International	Developed Asia	Consumer Discretionary	Tourism	2,693	1.9
Comcast	North America	Consumer Discretionary	Media Content	2,671	1.9
Lamar Advertising (REIT)	North America	Real Estate	Media Content	2,538	1.8
SAP	Europe	Information Technology	Online Services	2,514	1.8
Givaudan	Europe	Materials	Emerging Market Consumer	2,494	1.7
Dufry	Europe	Consumer Discretionary	Tourism	2,396	1.7
Top 30 equity investments				91,266	63.8
Prudential	UK	Financials	Retiree Spending Power	2,166	1.5
China Life Insurance	Emerging Markets	Financials	Retiree Spending Power	2,162	1.5
Premier	North America	Health Care	Healthcare Costs	2,116	1.5
Shimadzu	Japan	Information Technology	Scientific Equipment	2,106	1.5
Goldman Sachs Group	North America	Financials	Bank Regulation	2,099	1.5
Japan Airport Terminal	Japan	Industrials	Tourism	2,082	1.5
Tencent Holdings	Emerging Markets	Information Technology	Online Services	2,082	1.4
Segro (REIT)	UK	Real Estate	High Quality Assets	2,053	1.4
TLG Immobilien (REIT)	Europe	Real Estate	High Quality Assets	1,970	1.4
AIA Group	Emerging Markets	Financials	Emerging Market Consumer	1,886	1.3
Top 40 equity investments				111,988	78.3

Investment	Region	Industry	Theme	Market value £'000	% of total net assets
China Mobile	Emerging Markets	Telecommunication Services	Media Content	1,875	1.3
Scentre Group (REIT)	Developed Asia	Real Estate	Tourism	1,872	1.3
Kikkoman	Japan	Consumer Staples	Emerging Market Consumer	1,869	1.3
KB Financial Group	Emerging Markets	Financials	Emerging Market Consumer	1,844	1.3
Icade (REIT)	Europe	Real Estate	High Quality Assets	1,789	1.3
Secure Income (REIT)	UK	Real Estate	High Quality Assets	1,776	1.2
Shimano	Japan	Consumer Discretionary	Retiree Spending Power	1,739	1.2
Paypal	North America	Information Technology	Online Services	1,735	1.2
New York Times	North America	Consumer Discretionary	Media Content	1,689	1.2
Bharti Airtel	Emerging Markets	Telecommunication Services	Online Services	1,665	1.2
Top 50 equity investments				129,841	90.8
CapitaLand Mall Trust (REIT)	Developed Asia	Real Estate	Tourism	1,650	1.1
Time	North America	Consumer Discretionary	Media Content	1,624	1.1
Beijing Capital International Airport	Emerging Markets	Industrials	Tourism	1,608	1.1
Airports of Thailand	Emerging Markets	Industrials	Tourism	1,548	1.1
World Wrestling Entertainment	North America	Consumer Discretionary	Media Content	1,525	1.1
Toyota Industries	Japan	Consumer Discretionary	High Quality Assets	1,287	0.9
Sydney Airport	Developed Asia	Industrials	Tourism	1,088	0.8
Ctrip.com	North America	Consumer Discretionary	Tourism	1,080	0.8
Mercadolibre	North America	Information Technology	Online Services	1,003	0.7
East African Breweries	Emerging Markets	Consumer Staples	Frontier Investments	321	0.2
Top 60 equity investments				142,575	99.7
Ferro Alloy Resources ¹	Emerging Markets	Materials	Unlisted investments	–	–
Total equity investments (61)				142,575	99.7
Forward foreign exchange contracts					
Bought 4,149,613 US Dollars – 8 September 2017				3,188	2.2
Sold 453,200,000 Japanese Yen – 8 September 2017				(3,108)	(2.2)
Total forward foreign exchange contracts				80	–
Total investments				142,655	99.7
Net current assets (excluding bank loans)				4,252	3.0
Bank loan				(3,849)	(2.7)
Total net assets				143,058	100.0

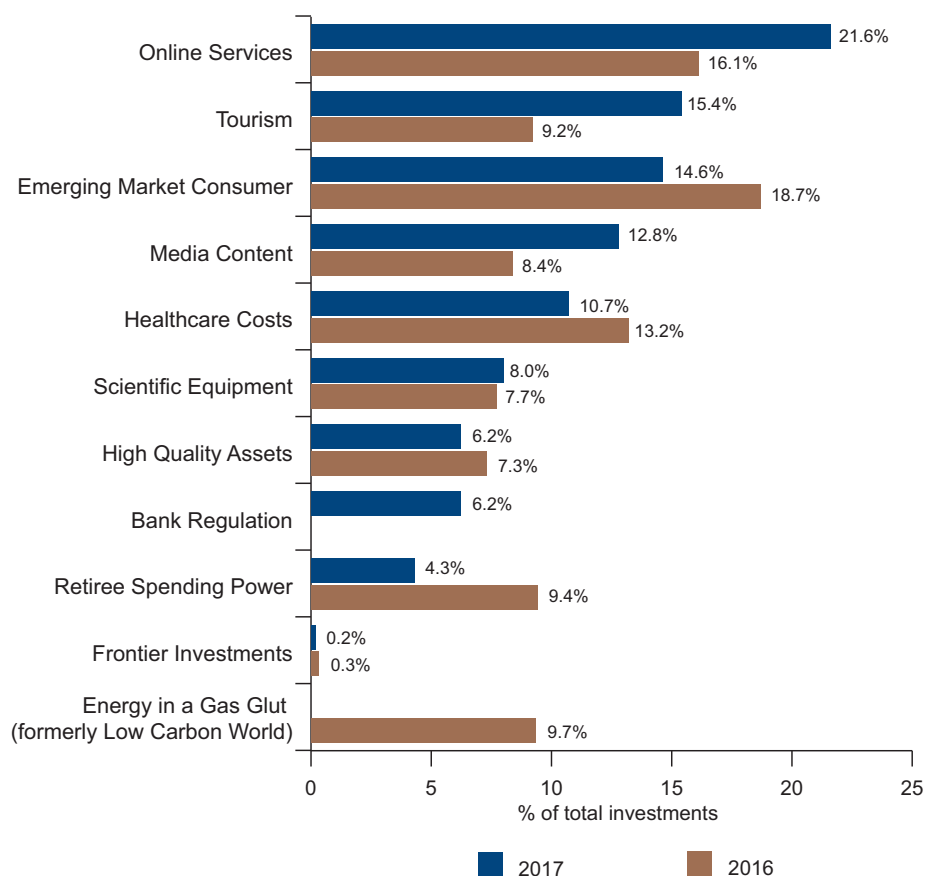
¹ Unquoted security.

Strategic Report (continued)

Regional analysis of the portfolio as at 30 June



Thematic analysis of the portfolio as at 30 June



Strategy and Business Review

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

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 objective and investment policy outlined below.

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% of the portfolio. The Company will not invest more than 15% 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 the primary aim is 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.

Gearing

The Company may use borrowings to support its investment strategy and the Company's Articles of Association (the 'Articles') allow the Company to borrow up to 30% of its net assets. The Company has a US\$16 million revolving credit facility with Scotiabank which is

available to the Company until 19 February 2018. As at 30 June 2017, US\$5.0 million (£3.7 million) was drawn down from this facility.

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

Operating environment

The Company has been approved as an investment trust in accordance with the requirements of section 1158 of the Corporation Taxes Act 2010. This approval 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.

Current and future developments

A summary of the Company's developments during the year ended 30 June 2017, 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 and 7. 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 and it uses a number of KPIs to assess the Company's success in meeting its objective. The KPIs which have been established for this purpose are set out below.

■ Net asset value performance compared to the MSCI All Country World Index GBP

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

■ Share price performance

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

Strategic Report (continued)

Strategy and Business Review (continued)

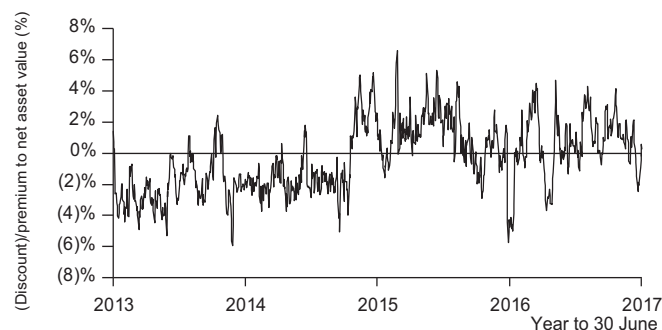
Discrete annual total returns

Year ended 30 June	Net asset value	Share price	MSCI All Country World Index
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%
2016	16.0%	8.1%	13.3%
2017	21.0%	27.5%	22.2%

■ 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% in normal circumstances. The Company may issue shares at such times as demand is not being met by liquidity in the market and buy back shares when there is excess supply. Further details of the shares issued and bought back during the year are set out in the Share Capital section on page 13.

Share price (discount)/premium to net asset value



■ Ongoing charges

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 0.7% (2016: 0.7%).

■ Dividends per share

The Board aims to grow the dividends paid to shareholders, in addition to capital growth. It monitors the revenue returns generated by the Company during the year and from this determines the dividends to be paid. Subject to approval of the final dividend by shareholders, total dividends of 5.00 pence per share (2016: 4.50 pence per share) will be paid in respect of the year ended 30 June 2017. This represents an increase of 11.1%.

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 page 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 along with the controls in place to manage these which are highlighted for each risk.

■ *Strategic:* the suitability of the Board's strategy for the development of the Company in the current market place 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 fails 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 GBP). 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 each Board 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.*

Failure to comply with appropriate accounting standards could result in a reporting error or breach of regulations or legislation. *The Company relies on the services of the Company Secretary and Investment Manager to monitor and report on any changes in accounting standards. The Company's Independent Auditor also provides an annual update on any accounting changes that affect the Company.*

- *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 page 21 and in note 18 of the notes to the financial statements.

Other matters

Viability statement

In accordance with the AIC Code of Corporate Governance, the Board has considered the longer term prospects for the Company. The period assessed is the five years to 30 June 2022. This has been deemed appropriate for the Company given the nature of its business, its current size and the longer term view taken by the Investment Manager when constructing the portfolio.

As part of its assessment of the viability of the Company, the Board has considered each of the principal risks above and the impact on the Company's portfolio of a significant fall in global markets. The Board has also considered the liquidity of the Company's portfolio to ensure that it will be able to meet its liabilities as they fall due.

The conclusion of this review is that the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 30 June 2022.

Share capital

During the year to 30 June 2017 the Company issued 3,419,580 new shares to satisfy continued demand for the Company's shares. All of the shares were issued at, or at a premium to, the prevailing net asset value on the date of issue.

In order to continue to be able to meet investor demand and grow the Company a prospectus was issued on 10 May 2017 to allow the issue of up to 31.2 million new shares. On the same date a circular was issued to shareholders seeking approval to increase the Directors' authority to issue further shares on a non pre-emptive

basis. Shareholders approved this at a general meeting held on 1 June 2017.

During the year the Company did not buy back any ordinary shares (2016: nil).

Resolutions to continue to be authorised to issue and buy back shares will be put to shareholders at the AGM on 6 November 2017. 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% band relative to the net asset value.

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 with the exception of Richard Burns, who retired on 7 November 2016, and David Kidd, who was appointed on 8 November 2016.

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.

Modern Slavery Act 2015

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

Social and environmental matters

The Company has no employees and has delegated the management of the Company's investments to Artemis 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 will ultimately impact the profitability of a company or its stock market rating and hence these matters are an integral part of Artemis' thinking as institutional investors.

Strategic Report (continued)

Strategy and Business Review (continued)

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.

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% of its net assets (determined as 130% under the Commitment and Gross ratios). The Company is permitted to have additional leverage of up to 100% of its net assets, which results in permitted total leverage of 230% under both ratios. The Alternative Investment Fund Manager (the 'AIFM'), which is Artemis Fund Managers Limited, monitors leverage values on a daily basis and reviews the limits annually. No changes have been made to these limits during the period. At 30 June 2017, the Company's leverage was 107.0% as determined using the Commitment method and 106.7% using the Gross method.

Financial statements

The financial statements of the Company are included on pages 30 to 33 of this report.

For and on behalf of the Board.

Malcolm Scott

Chairman

6 September 2017

Directors and Corporate Governance

Directors

Malcolm Scott (Chairman)

Malcolm Scott 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.

Russell Napier (Senior Independent Director)

Russell Napier became a Director of the Company in 2009 and is Chairman of the Audit Committee. He worked for Baillie Gifford from 1989 and for Foreign & Colonial Emerging Markets from 1994. In 1995 he joined stockbrokers CLSA in Hong Kong as its Asian equity strategist. Since 1999 he has been a consultant global macro strategist advising institutional investors. He is the author of 'Anatomy of a Bear – Lessons from Wall Street's Four Great Bottoms' and has established and runs a course called 'A Practical History of Financial Markets'. He is a director of the Didasko Education Company Limited, Orlock Advisors Limited and The Scottish Investment Trust PLC.

David Kidd

David Kidd became a director of the Company on 8 November 2016. He is a director of The Law Debenture Pension Trust Corporation PLC, which acts as independent trustee for over 200 pension schemes including those of many FTSE 100 companies. He has over 30 years investment management experience, having been chief investment officer of the Royal Bank of Scotland's investment management arm, the charity specialists Chiswell Associates and the private bank Arbuthnot Latham. He is a non-executive director of The Baillie Gifford Japan Trust plc and a director of The Golden Charter Trust. He was previously a non-executive director of Martin Currie Global Portfolio Trust plc, Shires Income plc and The Salvation Army International Trustee Company.

Harry Morgan

Harry Morgan became a Director of the Company in 2012. He is currently a portfolio manager and director of investment management at the Tilney Group. 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.

Alan Scott

Alan Scott became a Director of the Company in 2012. He has over 28 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, managing the banking support team in addition to a portfolio of private banking clients.

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 2017.

Results and dividends

The Company's results for the year are set out in the Statement of Comprehensive Income on page 30.

The Directors are recommending the payment of a final dividend of 0.38 pence per share. If approved at the AGM, this will be paid on 10 November 2017, to shareholders on the register as at 6 October 2017.

This will result in total dividends for the year of 5.00 pence (2016: 4.50 pence).

Management and management fees

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

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

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

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

Both Artemis entities are authorised and regulated by the Financial Conduct Authority and at 30 June 2017 had £25.6 billion, in aggregate, of assets under management.

Continued appointment of the Investment Manager

The Board has reviewed the Investment Manager's engagement, including its management processes, risk controls and the quality of support provided to the Board and believes that its continuing appointment, on its current terms, remains in the interests of shareholders at this time. The last review was undertaken at a board meeting held on 8 May 2017.

Election of Directors

The Board recommends the re-election of Malcolm Scott on the basis of his industry knowledge, experience and his contribution to the operation of the Company. As Mr Scott has been a Director for more than nine years, he is subject to annual re-election. David Kidd was appointed as a Director during the year, therefore he is subject to election at the first Annual General Meeting following his appointment.

Directors' insurance and indemnification

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

The Company has entered into deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him. 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 2017, the capital structure of the Company was 32,531,416 (2016: 29,111,836) ordinary shares of 5 pence each.

Details of changes to the shares in issue can be found in the Strategic Report on page 13.

Since the year end a further 50,000 ordinary shares have been issued. As at 30 August 2017, the Company had 32,581,416 ordinary shares in issue. Therefore the Company's total voting rights are 32,581,416.

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

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

Name	Number of ordinary shares in issue as at 30 August 2017	% of shares in issue
Mr Simon Edelsten	2,137,294	6.6
Brewin Dolphin Securities Limited	1,212,541	3.7

Further information on the share capital of the Company is detailed in note 12 of the notes to the financial statements.

Additional shareholder information

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

There are no agreements to which the Company is party 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.

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 2017 AGM are set out in the Notice of Meeting on pages 46 to 50. Resolutions in relation to the buy back and allotment of shares, are set out below.

Authority to allot shares and disapply pre-emption rights

The Directors were authorised at the AGM in November 2016 to allot shares up to an aggregate nominal amount of £495,784 under a general authority to allot new shares. This authority will expire at the forthcoming AGM of the Company. Resolution 9, which will be proposed as an ordinary resolution, seeks to renew this authority.

The Directors also were authorised at the AGM in November 2016 to allot up to an aggregate nominal amount of £223,326 ordinary shares in the Company without first offering them to existing shareholders in accordance with statutory pre-emption procedures. This authority will expire at the forthcoming AGM. As a significant amount of this authority was used during the year, a further authority was approved by shareholders at a general meeting held on 1 June 2017. This provided authority to issue 31,241,352 shares on a non pre-emptive basis. This authority will expire on 8 May 2018. The Directors believe it to be in shareholders' interests to continue to have such an authority for the forthcoming year to enable the issue of shares to meet market demand and grow the Company and will seek to renew the authority at the forthcoming AGM.

Accordingly, Resolution 10, which is conditional upon Resolution 9 being approved, will, if approved, authorise the Directors to allot new ordinary shares or to sell treasury shares up to an aggregate nominal amount of £244,360, under a general authority, representing approximately 15% of the Company's issued ordinary share capital as at 6 September 2017, for cash without first offering such shares to existing shareholders pro rata to their existing holdings. Resolution 10 will be proposed as a special resolution and the authority will continue in effect until the conclusion of the AGM to be held in 2018. The Directors will only issue new ordinary shares pursuant to the general authority if they believe it is advantageous to the Company's shareholders to do so.

The Directors acknowledge that the authority sought by Resolution 10 is higher than the limit recommended by the Pre-Emption Group in its Statement of Principles on Dissatisfying Pre-Emption Rights. The Directors intend to use the authority which will be conferred by the passing of Resolution 10 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 and its shareholders to do so, and no issue of ordinary shares will be made pursuant to Resolution 10 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Authority to buy back shares

The Company's existing authority to make market purchases of up to 14.99% 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 11 will be proposed as a special resolution at the forthcoming AGM to renew that authority. This authority will continue in effect until the conclusion of the AGM to be held in 2018.

Directors and Corporate Governance (continued)

Directors' Report (continued)

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

- 5.0% 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
- 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 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 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.

Independent auditor

Scott-Moncrieff has expressed its willingness to continue in office as independent auditor. The Audit Committee has responsibility for making a recommendation to the Board on the re-appointment of the external auditor. After careful consideration of the services provided during the year and a review of their effectiveness, the Audit Committee recommended to the Board that Scott-Moncrieff be re-appointed as auditor. Accordingly, a resolution will be proposed at the forthcoming AGM for its re-appointment and to authorise the Directors to agree its remuneration.

Audited information

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

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'). This statement outlines how the principles of the AIC Code issued in July 2016 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.

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, Malcolm Scott 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.

Richard Burns retired from the Board at the conclusion of the AGM held on 7 November 2016. Upon the appointment of Malcolm Scott as Chairman of the Company at the AGM, Russell Napier was appointed the Company's Senior Independent Director. This position is reviewed annually. David Kidd was appointed to the board on 8 November 2016 and the board recommends shareholders vote in favour of the resolution to elect Mr Kidd.

Appointment of Directors and performance evaluation

Directors are appointed subject to the provisions of the Act and the Company's Articles. All Directors are subject to election by shareholders at the first AGM following their appointment and thereafter will be subject to re-election no later than the third AGM following the meeting at which they were last elected or re-elected, subject to not having served for more than nine years, after which they will be subject to annual re-election.

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

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.

Following a formal performance evaluation, and in the case of Mr Scott, notwithstanding his length of service, having served on the Board for more than nine years, 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. The Board is also satisfied that it continues to have an appropriate balance of skills and experience and therefore supports the resolution to re-elect Malcolm Scott at the forthcoming AGM.

Director	Date of appointment	Due for re-election/ election
Malcolm Scott	12 February 1990	AGM 2017
David Kidd	8 November 2016	AGM 2017
Harry Morgan	21 May 2012	AGM 2018
Russell Napier	10 August 2009	AGM 2018
Alan Scott	21 May 2012	AGM 2018

Board committees

In order to enable the Directors to discharge their duties, two Board Committees, 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 and 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.

As all the Directors are non-executive there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Remuneration Policy approved by shareholders. The Company's Remuneration Policy is set out on page 22 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.

Directors and Corporate Governance (continued)

Directors' Report (continued)

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 13, 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	5	2	2
David Kidd	3	1	1
Harry Morgan	5	2	2
Russell Napier	6	2	2
Alan Scott	6	2	2
Malcolm Scott	6	2	2
Richard Burns	3	1	–

Directors' tenure

Directors do not serve on the Board for a specified period of time. Each Director will be subject to the election/re-election provisions as set out in the Company's Articles, which provide that a Director appointed during the year is required to retire and seek election by shareholders at the first annual general meeting following their appointment. 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.

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.

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 value 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 on a periodic basis.

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 they invest 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 the Company's assets and shareholders' interests. As the majority of the Company's systems are maintained on behalf of the Company by third party service providers under contract, the Board fulfils its obligations by requiring these service providers to report and provide assurances on their systems of internal control, which are designed to manage, rather than eliminate, risks. In light of the Board's reliance on these systems and the reports thereon, the Board can only provide reasonable and not absolute assurance against material misstatement or loss. The Board does, however, ensure that these service providers are employed subject to clearly defined contracts.

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 pages 12 and 13 and note 18 of the notes to the financial statements.

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

By order of the Board.

Artemis Fund Managers Limited
Company Secretary
6 September 2017

Directors and Corporate Governance (continued)

Directors' Remuneration Policy and Report

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 and is required to be approved by shareholders at the AGM being held on 6 November 2017.

To date no comments have been received from shareholders in respect of the remuneration policy.

Resolution 2, which is seeking shareholder approval for the policy as set out below will, if approved, apply for a further three years unless renewed, varied or revoked by shareholders at a general meeting.

The Company's proposed remuneration policy, which is unchanged from the Company's existing policy, is that 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.

Directors' Remuneration Report

The Directors are pleased to present the Company's remuneration report for the year ended 30 June 2017, 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 to 29.

In accordance with the Regulations, an ordinary resolution, Resolution 3, to approve this report will be put to shareholders at the AGM.

The Board

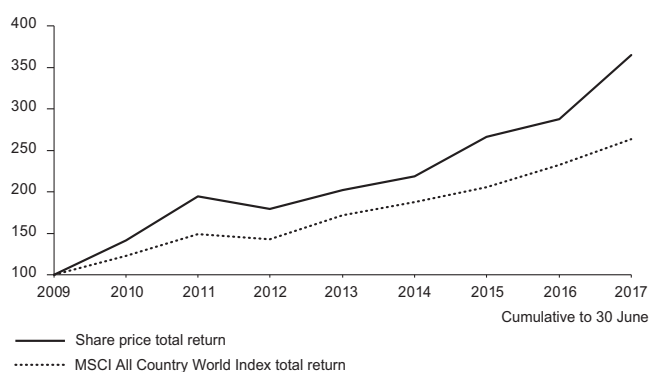
During the year ended 30 June 2017, the Board consisted solely of non-executive Directors who determine their remuneration as a whole. Accordingly, a separate Remuneration Committee has not been established. After consideration at a meeting of the Board on 8 May 2017, it was agreed that the fees for each Director, for the year ending 30 June 2018, should be increased to reflect the Board's increased regulatory role and achieve closer alignment with the Company's peer group. Directors' fees, with effect from 1 July 2017 will be £27,500 for the Chairman, £24,000 for the Chairman of the Audit Committee and £20,000 for other directors. Directors' fees were last increased with effect from 1 July 2015. The Board has not relied upon the advice or services of any external party to assist in making its remuneration decisions, although the Directors carry out reviews from time to time of the fees paid to directors of other investment trusts. The Directors do not have a contract of service with the Company but are instead appointed by letters of appointment. A Director may resign from the Board at any time; there are no fixed notice periods or any entitlement to compensation for loss of office.

Directors' fees (audited)

The Directors who served during the year to 30 June 2017 and 30 June 2016 received:

Director	Year ended 30 June 2017	Year ended 30 June 2016
Richard Burns	£7,772	£22,000
David Kidd	£9,696	–
Harry Morgan	£16,000	£16,000
Russell Napier	£18,000	£18,000
Alan Scott	£16,000	£16,000
Malcolm Scott	£19,880	£16,000
	£87,348	£88,000

Performance graph



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

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 7 November 2016, in respect of the approval of the Directors' Remuneration Report:

Votes cast for		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
6,716,209	99.5	36,432	0.5	6,752,641	18,804

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 2017	Holding as at 30 June 2016
David Kidd	Beneficial	10,000	–
Harry Morgan	Beneficial	13,523	10,000
Russell Napier	Beneficial	199,325	264,325
Alan Scott	Beneficial	150,000	150,000
	Beneficial trustee	140,000	140,000
Malcolm Scott	Beneficial	581,690	581,690
	Beneficial trustee	250,000	250,000

Between 30 June 2017 and the date of this Report there has been one further update. On 17 July 2017 David Kidd purchased an additional 7,500 shares to increase his total holding to 17,500 shares. At no time during the year did any Director hold a material amount in any contract, arrangement or transaction with 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 2017 summarises the review undertaken and the decisions made regarding the fees paid to the Board.

Malcolm Scott

Chairman
6 September 2017

Directors and Corporate Governance (continued)

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

Management Report

Listed companies are required by the Financial Conduct Authority's Disclosure Guidance 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 Act. 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. Responsibility for the maintenance and integrity of the corporate and financial information relating to the Company on this website has been delegated to the Investment Manager by the Directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2017 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.

Malcolm Scott
Chairman

6 September 2017

Audit Information

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.

The Audit Committee meets with the Audit Partner responsible for the Company's audit at least twice each year to discuss any matters arising from the audit.

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. Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurance as to the effectiveness of the internal controls operated on behalf of their clients. Both third parties report to the Board, on a quarterly basis, any operational errors or breaches of law or regulation.

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.

Auditor appointment and remuneration

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 although under new

regulations a tender will need to be undertaken ahead of the year ending 30 June 2024. Scott-Moncrieff will not be able to participate in this.

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.

As noted in the Directors' Report on page 18, 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, a resolution will be 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 2017

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, revenue recognition, misappropriation of Company assets, and compliance with the revised UK Generally Accepted Accounting Practice.

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 has 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 30 August 2017 to discuss any matters arising from the annual audit. The Auditor

Audit Information (continued)

Report of the Audit Committee (continued)

reported that there were no significant matters to be reported and an unqualified audit opinion on the financial statements has been provided on page 27.

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

Non-audit services

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

During the year, PwC was engaged to assist in the preparation and submission of the Company's annual tax returns to HM Revenue & Customs. The engagement has been approved by the Audit Committee.

By order of the Board.

Russell Napier

Chairman of the Audit Committee
6 September 2017

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

Opinion

We have audited the financial statements of Mid Wynd International Investment Trust PLC for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its returns for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to in relation to:

- the disclosures in the annual report that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- Whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- The Directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

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

Audit Information (continued)

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

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

- investment portfolio valuation;
- revenue recognition;
- rollover of certain of the undertaking and assets of Drumeldrie Investments Limited; 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 misstatements that would be material for the financial statements as a whole to be £1,430,000, which is 1% of net assets (net assets being a key performance indicator for investors in the Company). Materiality for revenue transactions was determined to be £18,000, 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 £1,000, as well as differences below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the plan of our audit

We planned our audit in order to address the assessed risks of material misstatement 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.

Rollover of certain of the undertaking and assets of Drumeldrie Investments Limited

We reviewed the accounting treatment to ensure that the transaction has been correctly recorded in accordance

with the terms of the transfer agreement and the relevant disclosures included in the financial statements.

Misappropriation of Company assets

We reviewed the accounting records for any significant transactions that were outside the normal course of business and agreed these to appropriate evidence.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 24, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

We were appointed by the Company Directors on 10 June 2002. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 15 years. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company and its controlled undertakings in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Gareth Magee (Senior Statutory Auditor)

for and on behalf of Scott-Moncrieff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh EH3 8BL
6 September 2017

Financial Statements

Statement of Comprehensive Income

For the year ended 30 June

	Notes	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Gains on investments	9	–	22,932	22,932	–	13,918	13,918
Currency losses	13	–	(496)	(496)	–	(570)	(570)
Income	2	2,230	–	2,230	2,107	–	2,107
Investment management fee	3	(160)	(480)	(640)	(113)	(340)	(453)
Other expenses	4	(195)	(12)	(207)	(200)	(20)	(220)
Net return before finance costs and taxation		1,875	21,944	23,819	1,794	12,988	14,782
Finance costs of borrowings	5	(29)	(89)	(118)	(20)	(60)	(80)
Net return on ordinary activities before taxation		1,846	21,855	23,701	1,774	12,928	14,702
Taxation on ordinary activities	6	(193)	–	(193)	(214)	–	(214)
Net return on ordinary activities after taxation		1,653	21,855	23,508	1,560	12,928	14,488
Net return per ordinary share	8	5.41p	71.56p	76.97p	5.78p	47.94p	53.72p

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.

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

The accompanying notes on pages 34 to 45 are an integral part of the financial statements.

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Non-current assets					
Investments held at fair value through profit or loss	9		142,655		108,969
Current assets					
Debtors	10	900		1,669	
Cash and cash equivalents	18	3,819		4,427	
		4,719		6,096	
Creditors					
Amounts falling due within one year	11	(4,316)		(7,439)	
Net current assets/(liabilities)			403		(1,343)
Total net assets			143,058		107,626
Capital and reserves					
Called up share capital	12		1,627		1,456
Capital redemption reserve	13		16		16
Share premium	13		29,144		15,205
Capital reserve	13		110,815		88,851
Revenue reserve	13		1,456		2,098
Shareholders' funds			143,058		107,626
Net asset value per ordinary share	14		439.75p		369.70p

These financial statements were approved by the Board of Directors and signed on its behalf on 6 September 2017.

Malcolm Scott

Chairman

The accompanying notes on pages 34 to 45 are an integral part of the financial statements.

Financial Statements

Statement of Changes in Equity

For the year ended 30 June 2017

	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 2016		1,456	16	15,205	88,851	2,098	107,626
Net return on ordinary activities after taxation	13	–	–	–	21,855	1,653	23,508
Issue of new shares	12	171	–	14,313	–	–	14,484
Transfer of prior year expenses related to issue of the prospectus	13	–	–	(109)	109	–	–
Expenses related to listing of shares	13	–	–	(23)	–	–	(23)
Expenses related to placing and issue of new shares	13	–	–	(242)	–	–	(242)
Dividends paid	7	–	–	–	–	(2,295)	(2,295)
Shareholders' funds at 30 June 2017		1,627	16	29,144	110,815	1,456	143,058

For the year ended 30 June 2016

	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 2015		1,343	16	6,650	71,146	1,686	80,841
Net return on ordinary activities after taxation	13	–	–	–	12,928	1,560	14,488
Issue of new shares	12	113	–	7,476	–	–	7,589
Expenses related to issue of the prospectus	13	–	–	–	(109)	–	(109)
Issue of shares from treasury	12	–	–	1,079	4,886	–	5,965
Dividends paid	7	–	–	–	–	(1,148)	(1,148)
Shareholders' funds at 30 June 2016		1,456	16	15,205	88,851	2,098	107,626

The accompanying notes on pages 34 to 45 are an integral part of the financial statements.

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Cash used in operations	15		1,494		916
Interest received	2	32		15	
Interest paid	5	(118)		(80)	
Net cash generated from operating activities			(86)		(65)
Cash flow from investing activities					
Purchase of investments		(188,105)		(130,162)	
Sale of investments		176,013		115,732	
Realised currency (losses)/gains		(250)		244	
Net cash used in investing activities			(12,342)		(14,186)
Cash flow from financing activities					
Issue of new shares		14,484		7,589	
Issue of shares from treasury		–		5,965	
Expenses related to issue of the prospectus		(5)		(106)	
Expenses related to listing of shares		(23)		–	
Dividends paid	7	(2,295)		(1,148)	
Net repayment of credit facility		(1,835)		–	
Net cash generated from financing activities			10,326		12,300
Net decrease in cash and cash equivalents			(608)		(1,035)
Cash and cash equivalents at start of the year			4,427		5,460
Decrease in cash in the year			(608)		(1,035)
Unrealised currency gains on cash and cash equivalents			–		2
Cash and cash equivalents at end of the year			3,819		4,427

The accompanying notes on pages 34 to 45 are an integral part of the financial statements.

Financial Statements (continued)

Notes to 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, including Financial Reporting Standard ('FRS') 102, and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued in November 2014 and updated in January 2017 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 Statement of Comprehensive Income.

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

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

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

(b) Investments

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

recognised overseas exchanges. The fair value of unquoted investments uses valuation techniques, determined by the Directors, based upon latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate, and 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 Statement of Comprehensive Income as capital or revenue as appropriate.

(d) Financial instruments

In addition to the investment transactions described above, the Company enters into basic financial instruments that result in recognition of other financial assets and liabilities, such as sales and purchases for subsequent settlement, investment income due but not received and

other debtors and other creditors. These financial instruments are receivable and payable and are stated at cost less impairment.

(e) Cash and cash equivalents

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

(f) Income

Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Unfranked investment income includes the taxes deducted at source. Franked investment income is stated net of tax credits. If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital. Interest from fixed interest securities is recognised on an effective interest rate basis. Interest receivable on deposits are recognised on an accruals basis.

(g) Expenses

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

(h) Finance costs

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

(i) Deferred taxation

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

(j) 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.

(k) Foreign currencies

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

(l) Capital reserve

Gains and losses on sales of investments, exchange differences of a capital nature and the amount by

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

(m) Segmental reporting

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

2. Income

	2017 £'000	2016 £'000
Income from investments		
Overseas dividends	1,935	1,897
UK dividends	263	160
Property income distribution	–	35
	2,198	2,092
Other income		
Bank interest	32	15
Total income	2,230	2,107
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	2,198	2,092
Other income	32	15
Total income	2,230	2,107

3. Investment management fee

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Investment management fee	160	480	640	113	340	453

Details of the investment management fee are set out in the Directors' Report on page 16. As at 30 June 2017, £173,000 (2016: £124,000) was outstanding in respect of amounts due to the Investment Manager.

Financial Statements (continued)

Notes to the Financial Statements (continued)

4. Other expenses

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Directors' remuneration	87	–	87	88	–	88
Auditor's remuneration (excluding VAT):						
– Fees for the audit of the Company's annual financial report	13	–	13	13	–	13
Custody fees	11	4	15	9	13	22
Registrar fees	19	–	19	20	–	20
Depositary fees	19	–	19	13	–	13
Printing fees	13	–	13	12	–	12
Stock exchange fees	11	–	11	10	–	10
Directors' & officers' insurance	6	–	6	7	–	7
Other expenses	16	8	24	28	7	35
Total expenses	195	12	207	200	20	220

5. Finance costs of borrowings

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Loan interest	24	72	96	15	46	61
Loan non-utilisation fee	5	15	20	5	14	19
Bank overdraft Interest	–	2	2	–	–	–
Total finance costs	29	89	118	20	60	80

6. Taxation on ordinary activities

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Overseas taxation	193	–	193	214	–	214
Total tax	193	–	193	214	–	214

The tax charge for the year is lower than the average standard rate of corporation tax in the UK (19.75%).

The differences are explained below:

	2017 £'000	2016 £'000
Net return on ordinary activities before taxation	23,701	14,702
Net return on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	4,681	2,940
Effects of:		
Overseas tax – non offsettable	193	214
DTR expensed	(22)	–
Taxable losses in the year not utilised	174	107
Income not taxable (UK dividends)	(52)	(32)
Income not taxable (overseas dividends)	(350)	(345)
Capital returns not taxable	(4,431)	(2,670)
Current tax charge for the year	193	214

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

Factors that may affect future tax charges

At 30 June 2017 the Company had a potential deferred tax asset of £653,000 (2016: £563,000) in respect of taxable losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised on these losses as it is considered unlikely that the Company will make suitable taxable revenue profits in excess of deductible expenses in future periods. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

7. Dividends paid and proposed

	2017	2016	2017 £'000	2016 £'000
Amounts recognised as distributions in the year:				
Previous year's final dividend	2.85p	2.65p	857	681
First Interim dividend	1.70p	1.65p	526	467
Second Interim dividend	2.92p	–	912	–
Total dividends	7.47p	4.30p	2,295	1,148

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 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £1,653,000 (2016: £1,560,000).

	2017	2016	2017 £'000	2016 £'000
Dividends paid and payable in respect of the year:				
First Interim dividend per ordinary share	1.70p	1.65p	526	467
Second Interim dividend per ordinary share	2.92p	–	912	–
Proposed final dividend per ordinary share	0.38p	2.85p	124	830
Total dividends	5.00p	4.50p	1,562	1,297

8. Net return per ordinary share

	2017 Revenue	2017 Capital	2017 Total	2016 Revenue	2016 Capital	2016 Total
Net return on ordinary activities after taxation	5.41p	71.56p	76.97p	5.78p	47.94p	53.72p

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation for the financial year of £1,653,000 (2016: £1,560,000), and on 30,542,647 (2016: 26,969,898) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Capital return per ordinary share is based on the net capital return on ordinary activities after taxation for the financial year of £21,855,000 (2016: £12,928,000), and on 30,542,647 (2016: 26,969,898) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Financial Statements (continued)

Notes to the Financial Statements (continued)

9. Fixed assets – investments

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

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

Level 1 – investments with unadjusted quoted prices in an active market;

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

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Quoted (Level 1)	142,575	108,864
Forward foreign exchange contracts (Level 2)	80	–
Unquoted (Level 3)	–	105
Total financial asset investments	142,655	108,969

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Opening book cost	93,745	–	597	94,342
Fair value adjustment at 30 June 2016	15,119	–	(492)	14,627
Valuation at 30 June 2016	108,864	–	105	108,969
Purchases at cost	186,318	–	–	186,318
Disposals – proceeds	(175,511)	79	(132)	(175,564)
– realised gains/(losses)	17,996	(79)	(47)	17,870
Increase in fair value adjustment	4,908	80	74	5,062
Valuation as at 30 June 2017	142,575	80	–	142,655
Book cost at 30 June 2017	122,548	–	418	122,966
Fair value adjustment	20,027	80	(418)	19,689
Valuation as at 30 June 2017	142,575	80	–	142,655

The purchases and sales proceeds figures above include transaction costs of £177,000 on purchases (2016: £212,000) and £95,000 on sales (2016: £116,000), making a total of £272,000 (2016: £328,000).

The gains and losses included in the above table have all been recognised in the Statement of Comprehensive Income 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, the Level 3 asset, K1 Life Settlements 0% 10/08/16, matured for £132,000.

10. Debtors

	2017 £'000	2016 £'000
Sales for subsequent settlement	751	1,200
Income accrued (net of overseas withholding tax)	110	389
Other debtors and prepayments	39	80
Total debtors	900	1,669

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

	2017 £'000	2016 £'000
Bank loans	3,849	5,438
Purchases for subsequent settlement	–	1,787
Other creditors and accruals	467	214
Total creditors	4,316	7,439

12. Called up share capital

	2017 Number	2017 £'000	2016 Number	2016 £'000
Allotted, called up and fully paid ordinary shares of 5 pence each	32,531,416	1,627	29,111,836	1,456
Total	32,531,416	1,627	29,111,836	1,456

No shares were bought back in the year (2016: nil).

No ordinary shares were issued from treasury in the year (2016: 1,825,321 shares were issued for proceeds of £5,965,000).

The Company allotted 3,419,580 (2016: 2,248,006) new ordinary shares for proceeds of £14,484,000 (2016: £7,589,000) during the year ended 30 June 2017.

Financial Statements (continued)

Notes to the Financial Statements (continued)

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 2016	1,456	16	15,205	88,851	2,098	107,626
Gains on sales of investments	–	–	–	17,870	–	17,870
Currency losses on bank loans	–	–	–	(246)	–	(246)
Finance cost of borrowings	–	–	–	(89)	–	(89)
Other currency losses	–	–	–	(250)	–	(250)
Expenses charged to capital	–	–	–	(492)	–	(492)
Issue of new shares	171	–	14,313	–	–	14,484
Transfer of prior year expenses related to issue of the prospectus	–	–	(109)	109	–	–
Expenses related to listing of shares	–	–	(23)	–	–	(23)
Expenses relating to placing and issue of new shares	–	–	(242)	–	–	(242)
Changes in unrealised gains/(losses)	–	–	–	5,062	–	5,062
Revenue return on ordinary activities after taxation	–	–	–	–	1,653	1,653
Dividends paid	–	–	–	–	(2,295)	(2,295)
At 30 June 2017	1,627	16	29,144	110,815	1,456	143,058

The capital reserve includes unrealised gains on fixed asset investments of £19,689,000 (2016: £14,627,000) 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:

	2017 Net asset value	2017 Net assets £'000	2016 Net asset value	2016 Net assets £'000
Ordinary shares	439.75p	143,058	369.70p	107,626

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

	2017 £'000	2016 £'000
Total net assets at 1 July	107,626	80,841
Total recognised gains for the year	23,508	14,488
Issue of new shares	14,484	7,589
Issue of shares from treasury	–	5,965
Expenses related to issue of the prospectus	–	(109)
Expenses related to listing of shares	(23)	–
Expenses related to placing and issue of new shares	(242)	–
Dividends paid	(2,295)	(1,148)
Total net assets at 30 June	143,058	107,626

Net asset value per ordinary share is based on net assets as shown above and on 32,531,416 (2016: 29,111,836) ordinary shares, being the number of ordinary shares in issue at the year end.

15. Reconciliation of net return before finance costs and taxation to cash used in operations

	2017 £'000	2016 £'000
Net return before finance costs and taxation	23,819	14,782
Gains on investments	(22,932)	(13,918)
Currency losses	496	570
Decrease/(increase) in accrued income	279	(301)
Interest received	(32)	(15)
Decrease/(increase) in other debtors and prepayments	41	(26)
Increase in creditors	16	38
Overseas tax suffered	(193)	(214)
Cash used in operations	1,494	916

16. Contingent liabilities, guarantees and financial commitments

At 30 June 2017 and 30 June 2016 the Company had no contingent liabilities, guarantees or financial commitments.

17. 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 note 3. The existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore the Investment Manager is not considered to be a related party.

18. Financial Instruments

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

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

The Company may enter into derivative transactions as explained in the Investment Policy on page 11. 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 (2016: no open positions). Further details can be found in note 9.

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 8 and 9.

(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.

Financial Statements (continued)

Notes to the Financial Statements (continued)

18. Financial instruments (continued)

Market risk (continued)

(i) Currency risk (continued)

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

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

At 30 June 2017	Investments £'000	Forward foreign exchange contracts £'000	Cash and cash equivalents £'000	Bank loan £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	78,006	3,188	3,372	(3,849)	811	81,528
Euro	19,400	–	–	–	17	19,417
Hong Kong dollar	15,213	–	–	–	22	15,235
Japanese yen	9,083	(3,108)	–	–	7	5,982
Swiss franc	4,890	–	–	–	–	4,890
Australian dollar	2,960	–	–	–	21	2,981
Korean won	1,844	–	–	–	–	1,844
Indian rupee	1,665	–	–	–	–	1,665
Singapore dollar	1,650	–	–	–	–	1,650
Thai baht	1,548	–	–	–	–	1,548
Other overseas currencies	321	–	–	–	8	329
Total exposure to currency risk	136,580	80	3,372	(3,849)	886	137,069
Sterling	5,995	–	447	–	(453)	5,989
Total	142,575	80	3,819	(3,849)	433	143,058

At 30 June 2016	Investments £'000	Forward foreign exchange contracts £'000	Cash and cash equivalents £'000	Bank loan £'000	Other debtors and creditors £'000	Net exposure £'000
US dollar	65,349	–	2,009	(5,438)	297	62,217
Euro	11,849	–	–	–	35	11,884
Hong Kong dollar	9,387	–	–	–	269	9,656
Japanese yen	9,195	–	–	–	8	9,203
Swiss franc	2,908	–	–	–	5	2,913
Australian dollar	2,292	–	–	–	22	2,314
Other overseas currencies	1,223	–	346	–	169	1,738
Total exposure to currency risk	102,203	–	2,355	(5,438)	805	99,925
Sterling	6,766	–	2,072	–	(1,137)	7,701
Total	108,969	–	4,427	(5,438)	(332)	107,626

Currency risk sensitivity

At 30 June 2017, if Sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below.

A 5% weakening of Sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the financial statements amounts. The analysis is performed on the same basis for 2016.

	2017 £'000	2016 £'000
US dollar	4,076	3,111
Euro	971	594
Hong Kong dollar	762	483
Japanese yen	299	460
Swiss franc	245	146
Australian dollar	149	116
Korean won	92	–
Indian rupee	83	–
Singapore dollar	83	–
Thai baht	77	–
Other overseas currencies	16	87
	6,853	4,997

(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 2017 and 30 June 2016 is shown below.

Financial assets

	2017 Fair value £'000	2017 Weighted average interest rate	2017 Weighted average period until maturity (years)	2016 Fair value £'000	2016 Weighted average interest rate	2016 Weighted average period until maturity (years)
Fixed rate:						
US dollar bonds	–	–	–	105	–	0.1

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 benchmark rate which determines the interest payments received on cash balances is the Bank of England base rate.

Financial Statements (continued)

Notes to the Financial Statements (continued)

18. Financial instruments (continued)

(ii) Interest rate risk

Financial liabilities

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

Interest rate exposure

	2017 £'000	2016 £'000
US Dollar denominated (floating rate of US LIBOR plus 0.9% per annum)	3,849	5,438
Total exposure	3,849	5,438

On 19 February 2015, the Company entered into a three-year US\$16 million revolving credit facility with Scotiabank, which will mature on 19 February 2018. US\$5.0 million was drawn down at 30 June 2017 (2016: US\$7.3 million). Interest is charged at variable rates equivalent to 0.9% over the US dollar London interbank market rate. The interest rate as at 30 June 2017 was 2.11611% (2016: 1.35080%).

The main covenants relating to the revolving credit facility are:

- (i) Total borrowings shall not exceed 33.33% 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 and the loan can be repaid within the next 12 months the exposure to fair value interest rate fluctuations is limited.

(iii) Other price risk

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

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

Other price risk sensitivity

Investments are valued at bid prices which equate to their fair value. A full list of the Company's investments is given on pages 8 to 9. In addition, an analysis of the investment portfolio by geographical split is given on page 10. A 5% increase in quoted valuations at 30 June 2017 would have increased total assets, and total return on ordinary activities after taxation by £7,129,000 (2016: £5,443,000). A decrease of 5% would have had 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 buy backs, dividends and operational expenses. This policy involves an assessment of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors. This requires the AIFM to identify and monitor investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in unquoted companies. The quoted companies in the portfolio are generally deemed to be liquid but from time to time, however, liquidity in these holdings may be affected by wider economic events. The Company's equity portfolio is monitored on an ongoing basis to ensure that it is adequately diversified and liquid. The AIFM's liquidity management policy is reviewed on at least an annual basis and updated, as required.

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

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

Credit and counterparty risk

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

This risk is managed as follows:

- 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 quoted 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 their findings to the Board.
- Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.
- Transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Investment Manager of the creditworthiness of that counterparty.
- 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 2017 and 30 June 2016 was:

	2017 £'000	2016 £'000
Cash and deposits	3,819	4,427
Debtors and prepayments	900	1,669
Fixed interest investments	–	105
Total exposure	4,719	6,201

Fair value of financial assets and financial liabilities

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

Capital management

The capital of the Company is its share capital and reserves as set out in notes 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 in page 11. 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 12, 13 and 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, 6 November 2017 at 12.00 noon (the 'Meeting') for the following purposes:

Ordinary Business

To consider and, if thought fit, pass Resolutions 1 to 9 (inclusive) which will be proposed as ordinary resolutions:

1. To receive and adopt the Annual Financial Report of the Company for the year ended 30 June 2017 together with the Report of the Directors.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 30 June 2017.
4. To approve a final dividend of 0.38 pence per ordinary share for the year ended 30 June 2017.
5. To re-elect Malcolm Scott as a Director of the Company.
6. To elect David Kidd as a Director of the Company.
7. 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.
8. To authorise the Directors to determine the remuneration of the Independent Auditor.
9. That, in addition to all existing authorities, 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 £542,480, being equal to approximately 33.3% of the Company's issued share capital (excluding treasury shares) as at 6 September 2017, 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 10 and 11 which will be proposed as special resolutions:

10. That, subject to the passing of Resolution 9 above (the 'section 551 Resolution'), and in addition to all existing authorities, 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 £244,360 being approximately 15% of the nominal value of the issued share capital of the Company (excluding treasury shares) as at 6 September 2017; and
 - (c) expires 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, 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.

11. 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 4,883,954, or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date on which this resolution is passed;
 - (b) the minimum price which may be paid for any ordinary share is the nominal value thereof;
 - (c) the maximum price which may be paid for any ordinary share shall not be more than the higher of:
 - (i) 5% above the average of the middle market quotations for an ordinary share (as derived from the Daily Official List of the London Stock Exchange) over the five business days immediately preceding the date of purchase; and
 - (ii) the higher of the price of the last independent trade in ordinary shares and the highest current independent bid for such shares on the London Stock Exchange; and
 - (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

By order of the Board.

Artemis Fund Managers Limited

Company Secretary
6 September 2017

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 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).

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 6.00pm on 2 November 2017 (or, if the Meeting is adjourned, at 6.00pm 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 6 September 2017 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 32,581,416 ordinary shares, carrying one vote each. There are no ordinary shares held in treasury. Therefore, the total voting rights in the Company as at 6 September 2017 were 32,581,416 votes.

12. Notification of shareholdings

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the General Meeting as his proxy will need to ensure that they both comply with their respective disclosure obligations under the UK Disclosure Guidance 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 Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance 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 proxy form) to communicate with the Company for any purpose other than those expressly stated.
15. Documents available for inspection
- The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Meeting:
- 15.1. a statement of all transactions of each Director and of their family interests in the share capital of the Company; and
- 15.2. copies of the Directors' letters of appointment.
- No Director has a service contract with the Company.
16. Directors' biographies
- The biographies of the Directors standing for re-election or election are set out on page 15 of the Company's Annual Financial Report for the year ended 30 June 2017.
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 cannot 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

LEI: 549300D32517C2M3A561

Capital Gains Tax

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

Share register enquiries

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

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

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

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

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

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

Dividend Reinvestment Plan

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

Electronic proxy voting

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

Tax information reporting

With effect from 1 January 2016 tax legislation requires investment trust companies to provide information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, the Company may have to provide information annually to HMRC on the tax residencies of those certificated shareholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new shareholders, excluding those whose shares are held in CREST, that enter the share register from 1 January 2016 will be sent a certification form from the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

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

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

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.

Shareholder information (continued)

General information (continued)

Further information on the Company

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

AIFMD disclosures

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

- Information in relation to the leverage of the Company is provided in the Strategic Report on page 14.
- Details of the Company's principal risks and their management are provided in the Strategic Report on pages 12 and 13.
- Details of the monitoring undertaken of the liquidity of the portfolio is provided in note 18 in the notes to the financial statements.
- The Investment Manager is not able to enter into any stocklending agreements; to borrow money against the security of the Company's investments; nor create any charges over any of the Company's investments, unless prior approval has been received from the Board.
- Details of the Company's strategy and policies, administration arrangements and risk management and monitoring, required to be made available to investors in the Company before they invest, are available at midwynd.co.uk.

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

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

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

Reporting calendar

Year End

30 June

Results announced

Interim: February

Annual: August

Dividends Payable

April and November

Annual General Meeting

November

Glossary

Discount/Premium

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

Gearing

Gearing is the process whereby changes in the total assets of a company have an exaggerated effect on the net assets of that company's ordinary shares due to the use of borrowings.

Leverage

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

- the Gross Method, which does not reduce exposure for hedging; and
- the Commitment Method, which reduces exposure for hedging.

Net asset value

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

Ongoing charges

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

Total return

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

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

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