
STRATEGIC EQUITY CAPITAL PLC
**HALF-YEARLY REPORT &
FINANCIAL STATEMENTS**

for the six month period to 31 December 2019



Investment Objective

The investment objective of Strategic Equity Capital plc (“the Company”) is to achieve absolute returns (i.e. growth in the value of investments) rather than relative returns (i.e. attempting to outperform selected indices) over a medium-term period, principally through capital growth.

The Company’s investment policy can be found on page 2.

Investment Manager’s Strategy

The strategy of GVQ Investment Management Limited (“GVQIM” or the “Investment Manager”) is to invest in publicly quoted companies which will increase their value through strategic, operational or management change. GVQIM follows a practice of constructive corporate engagement and aims to work with management teams in order to enhance shareholder value.

A more detailed explanation can be found in the Investment Manager’s Report on page 5.

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Financial Summary

STRATEGIC EQUITY CAPITAL
HALF-YEARLY REPORT &
FINANCIAL STATEMENTS

| | As at 31 December 2019 | As at 30 June 2019 | As at 31 December 2018 | Six months % change to 31 December 2019 |
|---|------------------------------|--------------------------|------------------------------|--|
| Capital return | | | | |
| Net asset value ("NAV") per Ordinary share [†] | 286.07p | 265.12p | 233.72p | 7.9% |
| Ordinary share price | 245.00p | 229.50p | 196.00p | 6.8% |
| Discount ¹ of Ordinary share price to NAV | 14.4% | 13.4% | 16.1% | |
| Average discount ¹ of Ordinary share price to NAV for the period | 14.7% | 15.2% | 14.8% | |
| Total assets (£'000) | 181,584 | 172,443 | 152,510 | 5.3% |
| Equity Shareholders' funds (£'000) | 181,073 | 169,037 | 152,022 | 7.1% |
| Ordinary shares in issue with voting rights | 63,296,844 | 63,759,589 | 65,045,291 | (0.7)% |

| | Six month period to 31 December 2019 | Year ended 30 June 2019 | Six month period to 31 December 2018 |
|---|---|-------------------------------|---|
| Performance | | | |
| Total return for the period ² | 8.5% | 2.2% | (9.5)% |
| Ongoing charges – annualised ³ | 1.12% | 1.10% | 1.12% |
| Ongoing charges (including performance fee) – annualised ³ | 1.17% | 1.39% | 1.12% |
| Revenue return per Ordinary share | 1.25p | 2.11p | 0.80p |
| Dividend yield ⁴ | n/a | 0.7% | n/a |
| Proposed dividend for period | n/a | 1.50p | n/a |

| | High | Low |
|------------------------------------|---------|---------|
| Interim period's Highs/Lows | | |
| NAV per Ordinary share | 286.70p | 253.73p |
| Ordinary share price | 245.00p | 212.00p |

[†] Net asset value or NAV. The value of total assets less current liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

Alternative Performance Measures

¹ Discount. The amount by which the Ordinary share price is lower than the net asset value per Ordinary share. The discount is normally expressed as a percentage of the net asset value per share.

² Total return. Total return is the increase/(decrease) in NAV per share plus the dividends paid, which are assumed to be reinvested at the time the share price is quoted ex-dividend.

³ Ongoing charges. Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the Association of Investment Companies industry standard method.

⁴ Dividend yield. The proposed annual dividend expressed as a percentage of the share price.

Investment Policy

The Company invests primarily in equity and equity-linked securities quoted on markets operated by the London Stock Exchange where the Investment Manager believes the securities are undervalued and could benefit from strategic, operational or management initiatives. The Company also has the flexibility to invest up to 20% of the Company's gross assets at the time of investment in securities quoted on other recognised exchanges.

The Company may invest up to 20% of its gross assets at the time of investment in unquoted securities, provided that, for the purpose of calculating this limit, any undrawn commitments which may still be called shall be deemed to be an unquoted security.

The maximum investment in any single investee company will be no more than 15% of the Company's investments at the time of investment.

The Company will not invest more than 10%, in aggregate, of the value of its total assets at the time the investment is made in other listed closed-end investment funds.

Other than as set out above, there are no specific restrictions on concentration and diversification. The Board does expect the portfolio to be relatively concentrated, with the majority of the value of investments typically concentrated in the securities of 10 to 15 issuers across a range of industries. There is also no specific restriction on the market capitalisation of securities into which the Company will invest, although it is expected that the majority of the investments by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index.

The Company's Articles of Association permit the Board to take on borrowings of up to 25% of the NAV at the time the borrowings are incurred for investment purposes.

Introduction

Last November I commented that it was the Board's view that the UK stock market, particularly for smaller companies, had begun a process of transition. The previous momentum led market was becoming more value based. This was good news as it fits well with our established investment process: that of identifying companies trading at a discount to their intrinsic value while avoiding those that do not.

Following the outcome of the UK general election in December, UK equity markets raced ahead until late January 2020, when COVID-19, the disease caused by the Coronavirus, took to the stage. Since then stock markets have suffered heavily amid widespread economic disruption. There are so many variables at play here that predicting what will happen with this pandemic seems futile. While the fear factor is adversely affecting stock markets at present, future market moves will depend on how far the disease spreads and how long it is around.

Performance

It is not surprising therefore that the Company's portfolio performed well over the period under review but has suffered heavily since. During the six months to 31 December 2019, the Company's share price rose from 229.5 pence to 245.0 pence, representing a total return (with the dividend reinvested) of 7.5%. The NAV per share rose by 7.9% to 286.07 pence per share and the NAV total return was 8.5%. Over the same period, the FTSE Small Cap (ex Investment Companies) Index delivered a total return of 10.9%. The share price discount to NAV ended the period at 14.4%. As at 25 March 2020, the date for which a NAV is most recently available at the time of writing, the NAV had fallen to 206.07 pence per share.

Returns, on both an absolute and relative basis, have been encouraging over the short and medium term. Over the three years ending 31 December 2019, the NAV total return was 28.2%, against the benchmark return of 17.3%. Over the 12 months ending 31 December 2019, the NAV total return was 23.0%, against the benchmark return of 17.7%. However, despite encouraging returns the discount has remained range bound between 12-19% during 2019 and has become a source of frustration to the Board.

Furthermore, the environment for UK active asset managers has been challenging in recent years. In a competitive environment, a strong sales and marketing capability is vital in order to attract new investors to a specialist strategy. The Board has therefore been mindful of the pressures on boutique asset managers and the resource that is required to effectively implement and market our investment strategy.

Given these circumstances, the Board has felt compelled to review its investment management contract with its investment manager GVQ IM, the consequences of which are explained below.

Development of the Company

During the period the Board reviewed alternative management options for the Company and the potential for changes to improve the Company's prospects. This review was conducted with the assistance of the Company's broker, Investec Bank Plc. Following this review, and after extensive due diligence, we have today announced that we have entered into heads of terms to appoint Gresham House Asset Management Limited as the Company's new investment manager and alternative investment fund manager with the intention thereafter for Aberdeen Standard Gresham House Investment Management ("Aberdeen Standard Gresham House"), the proposed joint venture between Gresham House plc and Aberdeen Standard Investments, to assume these roles once in receipt of regulatory approval and satisfaction of other conditions. We are delighted, however, that our current portfolio managers, Jeff Harris and Adam Khanbhai, have accepted an offer to join the new manager as part of this transaction.

Aberdeen Standard Gresham House will combine the strategic public equity capability of Gresham House with the marketing and distribution strength of Aberdeen Standard Investments. Tony Dalwood, the CEO of Gresham House, has known the Company for many years. In fact, he set up Strategic Equity Capital in 2005, devised its investment strategy and managed it in its early years. More recently he has transformed Gresham House into a leading investor in UK smaller companies using private equity type techniques. Gresham House is a public company, vibrant and growing strongly with a sound balance sheet. It has a highly regarded name in the market, is well-resourced at all levels and operates with an effective marketing team.

Chairman's Report *(continued)*

In addition, and of great attraction to us, is the support to the joint venture from Aberdeen Standard Investments, Europe's fourth largest investment house. Aberdeen Standard Investments selected Gresham House for this joint venture to offer their customers access to the Gresham House Strategic Public Equity strategy, a style comparable and complementary to our own. Aberdeen Standard Investments will provide marketing and sales support to the joint venture in respect of the Company going forward.

Gresham House has committed to investing significantly into the Company over the medium term, and I look forward to welcoming them as shareholders. Combining their efforts on marketing with Aberdeen Standard Investments, an enhanced investment process, and the Gresham House direct investment, the Board believes that the prospects for the Company are substantially improved as a result of the change.

Further updates on the transition will be announced by the Company to the Stock Exchange and I look forward to updating you on the impact of the changes when I report at the end of this financial year.

Gearing and Cash Management

The Company operates without a debt or overdraft facility, a policy that is periodically reviewed by the Board in conjunction with the Investment Manager. The Board and the Investment Manager have a conservative approach to gearing as a result of the concentrated nature of the Company's portfolio. No gearing has been in place at any point during the period. Cash positions are generally maintained to take advantage of suitable investment opportunities as they arise.

Dividend

The Directors continue to expect that returns for Shareholders will derive primarily from the capital appreciation of the shares rather than from dividends. In line with previous years, the Board does not intend to propose an interim dividend.

Discount and Discount Management

During the period, the Company's shares continued to trade at a discount to NAV. In the six months to 31 December 2019, the discount to NAV averaged 14.7% and ended the period at 14.4%. Over the period, the Company bought back 462,745 shares.

The Board has continued to monitor closely the discount to NAV at which the Company's shares have traded. The appointment of Aberdeen Standard Gresham House, as explained above, is intended to enhance the prospects of the Company going forward.

Outlook

Our plan remains to follow rigorously and consistently our disciplined investment process which has been in place since the Company was first launched. We sense more than ever that investors are concentrating on fundamental valuations, which in these volatile and uncertain times should offer the best protection and prospects whatever the final legacy of COVID-19. The impact of the pandemic will pass and we look forward to the Company participating in the recovery. In the medium term, we are excited about the changes announced today and we believe that the Company has a strong future as London's leading quoted vehicle for smaller company investment, adopting private equity investment techniques.

Richard Hills
Chairman
26 March 2020

Investment Strategy

Our strategy is to invest in publicly quoted companies that we believe will increase in value through strategic, operational or management change. We follow a practice of constructive corporate engagement and aim to work with management teams in order to enhance shareholder value. We seek to build a consensus with other stakeholders and prefer to work alongside like-minded co-investors as leaders, followers or supporters. We try to avoid confrontation with investee companies as we believe that there is strong evidence that overtly hostile activism generally produces poor returns for investors.

We are long-term investors and typically aim to hold companies for the duration of rolling three-year investment plans that include an entry and exit strategy and a clearly identified route to value creation. The duration of these plans can be shortened by transactional activity or lengthened by adverse economic conditions. Before investing we undertake an extensive due diligence process, assessing market conditions, management and stakeholders. Our investments are underpinned by valuations which we derive using private equity-based techniques. These include a focus on cash flows, the potential value of the company to trade or financial buyers and potentially beneficial changes in capital structure over the investment period.

The typical investee company, at the time of initial investment, is too small to be considered for inclusion in the FTSE 250 Index. We believe that smaller companies provide the greatest opportunity for our investment style as they are relatively under-researched, often have more limited resources, and frequently can be more attractively valued.

We believe that this approach, if properly executed, has the potential to generate favourable risk-adjusted returns for shareholders over the long term.

Market Background

In the UK market, the second half of 2019 was dominated by the anticipated General Election and share prices responded favourably to the outcome. From a low valuation base, the market was led by domestic cyclical stocks. The indices of smaller companies lagged the more domestically focused mid cap market, with the FTSE Small Cap Index and the FTSE AIM All-Share Index increasing by 10.9% and 5.0% respectively.

We estimate that the smaller company index re-rated by around 30% in aggregate, given the more favourable backdrop compared to the same point a year ago. However, the earnings outlook remains uncertain for various companies and sectors given continuing challenging external conditions.

Performance Review

Although the Company has no exposure to retailers, banks and housebuilders; sectors which benefited most from the improvement in sentiment, the majority of holdings in the portfolio saw good share price appreciation. This was held back by larger holdings including Tribal, Clinigen and Equiniti which are discussed further below.

Top 5 Contributors to Performance

| Company | Valuation at period end £'000 | Period attribution (basis points) |
|-----------------|-------------------------------------|---|
| Wilmington | 14,596 | 202 |
| Ergomed | 9,482 | 160 |
| Medica | 10,897 | 147 |
| 4imprint | 6,172 | 122 |
| Alliance Pharma | 9,870 | 98 |

Wilmington re-rated following more recent results showing a return to organic growth under new management. **Ergomed** shares were strong with upgrades at its interim results and a

Investment Manager's Report *(continued)*

significant strengthening of its management team and board of directors. **Medica** saw its share price increase following strong interim results and a new CEO joining. **4imprint** saw expectations upgraded and a re-rating in the period and **Alliance Pharma** delivered above market levels of organic growth with very strong cash flow.

Bottom 5 Contributors to Performance

| Company | Valuation at period end £'000 | Period attribution (basis points) |
|----------|-------------------------------------|---|
| Tribal | 9,714 | (113) |
| Clinigen | 14,410 | (67) |
| Equiniti | 19,668 | (64) |
| EMIS | 5,611 | (52) |
| Dialight | – | (32) |

Operational performance on the whole was good across the portfolio. **Tribal** de-rated over the period. The company is undertaking investment in its next generation cloud based product platform and at the same time its end markets are in a lull ahead of this being delivered. **Clinigen** de-rated owing to the company having a historically high level of gearing post recent acquisitions. **Equiniti's** shares were weaker given uncertainty in the UK impacting higher margin corporate actions and lower levels of share dealing. Furthermore, the market is waiting for improved cash generation to bring gearing levels down. After a strong run, **EMIS** shares were slightly weaker, although the company was awarded a place on the framework for the NHS GP Futures procurement contract. Our holding in **Dialight** was exited following the company warning on profits and changing its CEO.

Dealing Activity

There were full exits in **IFG Group** following its takeover by Epiris in August and in **Dialight**. Positions in **4imprint**, **EMIS** and **Oxford Metrics** were reduced on valuation grounds. We sold half of the cost of our investment in **Ergomed** at a significant profit, retaining a mid-weight position in the portfolio.

New investments were undertaken in **XPS Pensions Group**, the professional services business. The company suffered a material de-rating following its full year results which provided a liquidity opportunity and a rebasing of forecasts. The shares have partially recovered since. A new investment was made in **Huntsworth**, the healthcare marketing services business. The shares heavily de-rated owing to a tempering of growth expectations. We consider the long term structural growth opportunity and cash characteristics as attractive at a discounted valuation. The company was bid for by Clayton, Dubilier & Rice private equity at a significant premium post the period end. There were further liquidity opportunities in **Hostelworld** and **Benchmark Holdings**. Hostelworld, the niche hostel booking platform, has suffered a severe de-rating as it invests in its technological capabilities which has impacted the growth rate. At the same time, churn in the register has put pressure on the share price. **Benchmark**, the leading aquaculture business, has seen a wholesale change in management following poor capital allocation and an ill-defined strategy. The company has also seen a significant churn in its shareholder base. New management have a significant self-help opportunity for an asset with strong market positions and intellectual property.

Portfolio Review

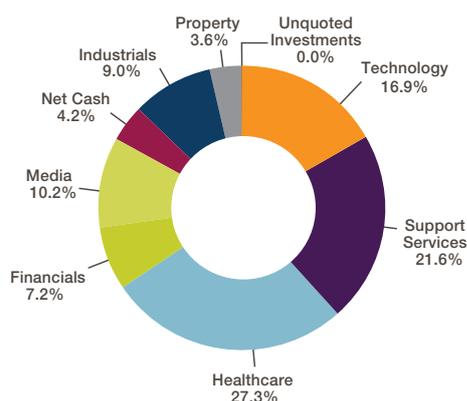
At the end of the financial period, the portfolio remained highly focused, with a total of 23 holdings and the top 10 holdings accounting for 66.9% of the NAV. Apart from the approximately £30k invested in Vintage, the portfolio is wholly invested in quoted companies with a 4.4% cash balance at the end of the period.

Portfolio as at 31 December 2019

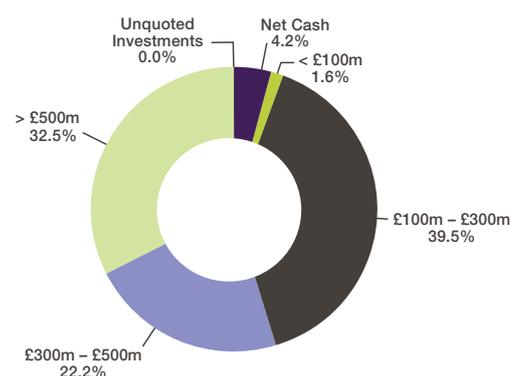
| Company | Sector classification | Date of first investment | Cost £'000 | Valuation £'000 | % of invested portfolio at 31 December 2019 | % of invested portfolio at 30 June 2019 | % of net assets |
|----------------------------------|-----------------------|--------------------------|---------------|--------------------|---|---|-----------------|
| Equiniti | Support Services | Mar 2016 | 18,581 | 19,668 | 11.3% | 13.3% | 10.9% |
| Wilmington | Media | Oct 2010 | 11,942 | 14,596 | 8.4% | 7.0% | 8.1% |
| Clinigen | Healthcare | Jul 2014 | 10,027 | 14,410 | 8.3% | 7.1% | 8.0% |
| Tyman | Industrials | Apr 2007 | 11,115 | 13,111 | 7.6% | 7.2% | 7.2% |
| Medica | Healthcare | Mar 2017 | 9,673 | 10,897 | 6.3% | 5.4% | 6.0% |
| Brooks Macdonald | Financials | Jun 2016 | 8,139 | 9,973 | 5.7% | 5.0% | 5.5% |
| Alliance Pharma | Healthcare | May 2017 | 6,768 | 9,870 | 5.7% | 4.9% | 5.4% |
| Tribal | Technology | Dec 2014 | 11,643 | 9,714 | 5.6% | 7.1% | 5.4% |
| Ergomed | Healthcare | Apr 2018 | 4,515 | 9,482 | 5.5% | 6.1% | 5.2% |
| XPS Pensions | Support Services | Jul 2019 | 7,908 | 9,351 | 5.4% | – | 5.2% |
| Harworth | Property | Jul 2016 | 3,798 | 6,450 | 3.7% | 3.6% | 3.6% |
| Hostelworld | Technology | Oct 2019 | 6,256 | 6,440 | 3.7% | – | 3.5% |
| 4imprint | Support Services | Feb 2006 | 1,044 | 6,172 | 3.6% | 6.9% | 3.4% |
| EMIS | Technology | Mar 2014 | 3,982 | 5,611 | 3.2% | 5.5% | 3.1% |
| Benchmark | Healthcare | Jun 2019 | 5,021 | 4,833 | 2.8% | 1.1% | 2.7% |
| JTC | Support Services | Jun 2019 | 3,447 | 3,854 | 2.2% | 0.9% | 2.1% |
| Huntsworth | Media | Sep 2019 | 4,139 | 3,786 | 2.2% | – | 2.1% |
| Oxford Metrics | Technology | Dec 2014 | 1,399 | 3,626 | 2.1% | 3.5% | 2.0% |
| Strix | Industrials | May 2019 | 2,569 | 3,224 | 1.9% | 1.7% | 1.8% |
| Numis | Financials | Oct 2017 | 3,100 | 3,053 | 1.8% | 2.1% | 1.7% |
| Proactis | Technology | Nov 2017 | 9,308 | 2,808 | 1.6% | 1.2% | 1.5% |
| Eckoh | Technology | Mar 2019 | 1,922 | 2,499 | 1.4% | 1.0% | 1.4% |
| Vintage I | Unquoted investments | Mar 2007 | 5 | 32 | 0.0% | 0.4% | 0.0% |
| Total investments | | | | 173,460 | | | 95.8% |
| Cash | | | | 7,886 | | | 4.4% |
| Net current liabilities | | | | (273) | | | (0.2%) |
| Total shareholders' funds | | | | 181,073 | | | 100.0% |

Portfolio as at 31 December 2019

Sector split by industry



Size split by market capitalisation



Investment Manager's Report *(continued)*

Portfolio Characteristics as at 31 December 2019

| Consensus Median portfolio characteristics | Strategic Equity Capital | FTSE Small Cap ex Investment Trusts |
|--|--------------------------|-------------------------------------|
| Price/Earnings ratio (FY1) | 14.0x | 12.8x |
| Dividend yield | 2.8% | 3.3% |
| Price/Sales ratio | 2.1x | 0.7x |
| GVQIM Cashflow yield* | 9.8% | n/a |
| Forecast earnings growth (FY1) | 11.5% | 10.0% |
| Forecast net debt to EBITDA | 0.5x | 3.1x |

SOURCE: FACTSET PORTFOLIO ANALYSIS SYSTEM, BLOOMBERG. PORTFOLIO EXCLUDES VINTAGE AND HARWORTH GROUP.

* GVQIM CASHFLOW YIELD: (12 MONTH FORWARD CASH EBITDA MINUS MAINTENANCE CAPEX)/(MARKET CAPITALISATION PLUS 12 MONTH FORWARD NET DEBT).

Unlisted Investments

Over the period, the Company received a total of £545k from Vintage I. As no further draw downs have been made since initial investment in 2005, the adviser has communicated that it does not expect to make any further net draw downs.

Outlook

Whilst concerns persist over the future relationship between the UK and the EU and beyond that, the USA's relations with China and activities in the Middle East, UK equities stand to benefit from any reversal of the 'structural underweight' allocation of the past three years.

Despite the strong growth in the Company's NAV, the valuations of portfolio companies remain attractive in our view. When looking at a traditional P/E ratio compared to historical levels, all but one of the top ten companies are rated at below their five year mid point. On our preferred valuation metric, the GVQ cash yield, the weighted average portfolio valuation corroborates this positive outlook.

Furthermore, irrespective of whether markets remain supportive, portfolio companies have specific opportunities to grow profitability and cash flow and improve their business models. For example; leveraging investment recently undertaken, improving capital allocation, reducing balance sheet leverage through cash generation, more efficient operations and improving communications and investor perceptions are all means to grow their value. We continue to engage with investee companies on these areas.

Whilst smaller companies remain at a discounted rating to medium sized and larger companies owing to poor liquidity and risk aversion, the opportunity for an actively managed small cap investment trust is acute. This is particularly so given the weight of money in private equity funds alongside the generationally cheap levels of financing.

Jeff Harris/Adam Khanbhai

GVQ Investment Management Limited

26 March 2020

Top 10 Investee Company Review

(as at 31 December 2019)

Alliance Pharma is an international healthcare business specialising in the sale of over 90 pharmaceutical and consumer healthcare products in over 100 countries. The business model is capital-lite with limited investment in research and development allowing it to generate prodigious cash flow. The company has a history of creating value through a sensible buy and build model enhancing the product portfolio and territorial footprint. The company has ambitions to continue this growth leveraging its existing infrastructure and utilising its cash flow. Funds managed by the Investment Manager hold c.4% of the company's equity.

Brooks Macdonald is a UK based wealth management firm providing investment services to professional advisors, high net worth individuals and institutions. Founded in 1991, the company now has over £13 billion in discretionary funds under management. We believe the company is well positioned in a structurally growing market as the requirements for self-investment solutions increases. Following a period of investment under new management, we believe the company is well positioned to grow its operating profits and continue its strong cash generation. Funds managed by the Investment Manager hold c.3% of the company's equity.

Clinigen is a speciality pharmaceutical and services company. It has three business units – Clinical Trial Services, Unlicensed Medicines and Commercial Medicines. Activities undertaken by these businesses include: acquiring, licencing and revitalising hospital-only critical care medicines; and providing patient access to its own or other pharmaceutical companies' products, whether to meet unmet medical needs or for use in clinical trials. The company has grown rapidly since its IPO in 2012, both organically and through targeted acquisitions. We believe the cash flow characteristics are underappreciated and the company has a leading position in a multi-year growth market. Funds managed by the Investment Manager hold c. 3% of the company's equity.

Equiniti is a business services company providing administration, processing payments services and technology products typically to FTSE 350 companies and large public sector organisations. It is one of the three main share registrars for UK quoted companies. It administers company benefits schemes and share savings schemes. It also provides software and services to help manage the administration of company and public sector pension funds. We believe the business has a strong combination of stable, long-term repeatable non-discretionary corporate services alongside offering technology based solutions to growing regulatory requirements. The business was founded with the buyout of Lloyds TSB Share

Registrars by private equity house Advent International in 2007. Following the buyout the company added to its product and service capability through a number of targeted acquisitions. The company IPO'd in October 2015 and undertook a strategic entry into North America in 2017. With moderate organic growth we believe that the company has the potential to deliver high single digit/low double digit earnings growth, which should not be significantly impacted by the broad market cycle. Despite its quality, the company trades at a moderate rating. Funds managed by the Investment Manager currently hold c.6% of the company's equity.

Ergomed is a pharmaceutical services company providing pharmacovigilance and clinical research services to healthcare clients. Following a change in strategy away from product development, the company now specialises in providing services to a growing market for outsourcing. Growth rates have historically been high and are forecast to continue based on market growth and Ergomed taking share. The company has significantly strengthened its management team and Board of Directors to aid with its next phase of growth. Fund managed by the Investment Manager currently hold c. 5% of the company's equity.

Medica is the leading provider of teleradiology services in the UK. The company provides outsourced interpretation and reporting of MRI, CT and plain film X-ray images. This is delivered through three primary services to UK hospital radiology departments: Nighthawk out-of-hours service; Routine cross-sectional reporting on MRI and CT scans; and Routine plain film reporting on x-ray images. Teleradiology as a service aims to improve patient care through faster response and overcoming the challenge hospitals face in the increasing volume in scanning activity. Medica was previously owned by Close Brothers Private Equity following a 2013 buyout. The company IPO'd in March 2017 on the LSE and admitted to the FTSE Small Cap index in June 2017. Funds managed by the Investment Manager currently hold c.10% of the company's equity.

Tribal is a global provider of products and services to the international education, training and learning markets. Today, the company focuses its activities on student records and administration systems and quality review inspection services. It has a high market share in a number of product niches and geographies. We believe that the company has the potential to grow through increasing its international sales, as well as updating and upselling to its existing UK customer base. Since November 2015 the company's board has been substantially refreshed, a non-core subsidiary sold and equity raised to

Top 10 Investee Company Review

(as at 31 December 2019) *(continued)*

strengthen the balance sheet. The company has effectively reduced its overhead and is developing its next generation software platform. Funds managed by the Investment Manager currently hold 8% of the company's equity.

Tyman is a leading international supplier of engineered components to the door and window industry in the new build and repair and maintenance (RMI) markets. Historically, the company has undertaken M&A in Europe and North America to complement organic growth from increasing building activity. Whilst more recently, operational issues have hindered the company's progress, under the new management team, the company is well placed to continue growing the business organically whilst generating strong cash flow. Tyman has many of the characteristics we believe are attractive to private equity. Funds managed by the Investment Manager currently hold c.6% of the company's equity.

Wilmington Group provides business information and training services to professional business customers in the financial services, medical and white-collar professional service sectors. More than 80% of revenues in the main publishing and information divisions are delivered digitally, typically on a subscription basis, and with high levels of client retention. A new high quality management team is well placed to accelerate the growth of the business following recent investment in systems and to provide a coherent strategy and capital allocation framework. Funds managed by the Investment Manager currently hold c.10% of the company's equity.

XPS Pensions Group is a pensions administration and advisory business. Formed following the merger between Xafinity and Punter Southall, XPS is a leader for mid-market pension schemes with an opportunity to take share from the 'Big 3' pensions consultants. The company has predictable revenue streams bolstered by project work driven by an increasingly complex changing pensions landscape. Owing to its capital-lite model, the company generates strong cash flow utilised for bolt-on acquisitions and the payment of a healthy dividend. Funds managed by the Investment Manager currently hold c. 4% of the company's equity.

GVQ Investment Management Limited
26 March 2020

The unconstrained, long-term philosophy and concentrated portfolios resulting from the Investment Manager's investment style can lead to periods of significant short-term variances of performance relative to comparative indices. The Investment Manager believes that evaluating performance over rolling periods of no less than three years, as well as assessing risk taken to generate these returns, is most appropriate given the investment style and horizon. Properly executed, the Investment Manager believes that this investment style can generate attractive long-term risk adjusted returns.

All statements of opinion and/or belief contained in this Investment Manager's report and all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Company represent the Investment Manager's own assessment and interpretation of information available to it at the date of this report. As a result of various risks and uncertainties, actual events or results may differ materially from such statements, views, projections or forecasts. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that the objectives of the Company will be achieved.

Statement of Directors' Responsibilities, Going Concern, Principal Risks and Uncertainties

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half-Yearly Report has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board ("IASB") as adopted by the EU, and gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R;
- the Half-Yearly Report includes a fair review of the information required by:
 - (a) DTR 4.2.7 of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8 of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board of Directors on 26 March 2020 and the above responsibility statement was signed on its behalf by Richard Hills, Chairman.

Going Concern

The Company has adequate financial resources to meet its investment commitments and, as a consequence, the Directors believe that the Company is well placed to manage its business risks. After making appropriate enquiries and due consideration of the Company's cash balances, the liquidity of the Company's investment portfolio and the cost base of the Company, the Directors have a reasonable expectation that the Company has adequate available financial resources to continue in operational existence for the foreseeable future and accordingly have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Half-Yearly Report, consistent with previous periods.

Principal Risks and Uncertainties

For the Company, the overriding risks and uncertainties to an investor relate to the markets on which the Company's shares trade, and the shares of the companies in which it invests trade, may move outside the control of the Board.

The principal risks and uncertainties are set out on pages 16 and 17 of the Annual Report for the year ended 30 June 2019, which is available at www.strategicequitycapital.com.

The Company's principal risks and uncertainties have not changed since the date of the Annual Report and are not expected to change for the remaining six months of the Company's financial year.

Statement of Comprehensive Income

for the six month period to 31 December 2019

| | Note | Six month period to 31 December 2019 unaudited | | | Year ended 30 June 2019 audited | | | Six month period to 31 December 2018 unaudited | | |
|--|------|--|----------------------------|----------------|---------------------------------------|----------------------------|----------------|--|----------------------------|-----------------|
| | | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Investments | | | | | | | | | | |
| Gains/(losses) on investments held at fair value through profit or loss | 6 | - | 13,265 | 13,265 | - | 1,448 | 1,448 | - | (17,968) | (17,968) |
| Currency gains | | - | 3 | 3 | - | 1 | 1 | - | 2 | 2 |
| | | - | 13,268 | 13,268 | - | 1,449 | 1,449 | - | (17,966) | (17,966) |
| Income | | | | | | | | | | |
| Dividends | 2 | 1,697 | - | 1,697 | 3,116 | - | 3,116 | 1,434 | - | 1,434 |
| Interest | 2 | 33 | - | 33 | 73 | - | 73 | 32 | - | 32 |
| Total income | | 1,730 | - | 1,730 | 3,189 | - | 3,189 | 1,466 | - | 1,466 |
| Expenses | | | | | | | | | | |
| Investment Manager's fee | 8 | (635) | - | (635) | (1,235) | - | (1,235) | (631) | - | (631) |
| Investment Manager's performance fee | 9 | - | (45) | (45) | - | (484) | (484) | - | - | - |
| Other expenses | 3 | (303) | - | (303) | (576) | - | (576) | (304) | - | (304) |
| Total expenses | | (938) | (45) | (983) | (1,811) | (484) | (2,295) | (935) | - | (935) |
| Net return before taxation | | 792 | 13,223 | 14,015 | 1,378 | 965 | 2,343 | 531 | (17,966) | (17,435) |
| Taxation | | - | - | - | - | - | - | - | - | - |
| Net return and total comprehensive income for the period | | 792 | 13,223 | 14,015 | 1,378 | 965 | 2,343 | 531 | (17,966) | (17,435) |
| | | pence | pence | pence | pence | pence | pence | pence | pence | pence |
| Return per Ordinary share | | | | | | | | | | |
| Basic | 5 | 1.25 | 20.85 | 22.10 | 2.11 | 1.48 | 3.59 | 0.80 | (27.17) | (26.37) |

The total column of this statement represents the Statement of Comprehensive Income. The supplementary revenue and capital return columns are both prepared under guidance published by the AIC.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The notes on pages 16 to 21 form an integral part of these Half-Yearly financial statements.

Statement of Changes in Equity

for the six month period to 31 December 2019

STRATEGIC EQUITY CAPITAL
HALF-YEARLY REPORT &
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| | Note | Share capital £'000 | Share premium account £'000 | Special reserve £'000 | Capital reserve £'000 | Capital redemption reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|------|------------------------|-----------------------------------|-----------------------------|-----------------------------|---|-----------------------------|----------------|
| For the six month period to 31 December 2019 unaudited | | | | | | | | |
| 1 July 2019 | | 6,986 | 31,737 | 25,595 | 99,910 | 2,264 | 2,545 | 169,037 |
| Net return and total comprehensive income for the period | | - | - | - | 13,223 | - | 792 | 14,015 |
| Dividend paid | 4 | - | - | - | - | - | (951) | (951) |
| Share buy-backs | | - | - | (1,028) | - | - | - | (1,028) |
| 31 December 2019 | | 6,986 | 31,737 | 24,567 | 113,133 | 2,264 | 2,386 | 181,073 |
| For the year to 30 June 2019 audited | | | | | | | | |
| 1 July 2018 | | 6,986 | 31,737 | 32,521 | 98,945 | 2,264 | 1,828 | 174,281 |
| Net return and total comprehensive income for the year | | - | - | - | 965 | - | 1,378 | 2,343 |
| Dividend paid | 4 | - | - | - | - | - | (661) | (661) |
| Share buy-backs | | - | - | (6,926) | - | - | - | (6,926) |
| 30 June 2019 | | 6,986 | 31,737 | 25,595 | 99,910 | 2,264 | 2,545 | 169,037 |
| For the six month period to 31 December 2018 unaudited | | | | | | | | |
| 1 July 2018 | | 6,986 | 31,737 | 32,521 | 98,945 | 2,264 | 1,828 | 174,281 |
| Net return and total comprehensive income for the period | | - | - | - | (17,966) | - | 531 | (17,435) |
| Dividend paid | 4 | - | - | - | - | - | (661) | (661) |
| Share buy-backs | | - | - | (4,163) | - | - | - | (4,163) |
| 31 December 2018 | | 6,986 | 31,737 | 28,358 | 80,979 | 2,264 | 1,698 | 152,022 |

The notes on pages 16 to 21 form an integral part of these Half-Yearly financial statements.

Balance Sheet

as at 31 December 2019

| | Note | As at 31 December 2019 unaudited £'000 | As at 30 June 2019 audited £'000 | As at 31 December 2018 unaudited £'000 |
|---|------|--|--|--|
| Non-current assets | | | | |
| Investments held at fair value through profit or loss | 6 | 173,460 | 154,888 | 141,698 |
| Current assets | | | | |
| Trade and other receivables | | 238 | 1,244 | 413 |
| Cash and cash equivalents | | 7,886 | 16,311 | 10,399 |
| | | 8,124 | 17,555 | 10,812 |
| Total assets | | 181,584 | 172,443 | 152,510 |
| Current liabilities | | | | |
| Trade and other payables | | (511) | (3,406) | (488) |
| Net assets | | 181,073 | 169,037 | 152,022 |
| Capital and reserves: | | | | |
| Share capital | 7 | 6,986 | 6,986 | 6,986 |
| Share premium account | | 31,737 | 31,737 | 31,737 |
| Special reserve | | 24,567 | 25,595 | 28,358 |
| Capital reserve | | 113,133 | 99,910 | 80,979 |
| Capital redemption reserve | | 2,264 | 2,264 | 2,264 |
| Revenue reserve | | 2,386 | 2,545 | 1,698 |
| Total shareholders' equity | | 181,073 | 169,037 | 152,022 |
| Net asset value per share | | pence 286.07 | pence 265.12 | pence 233.72 |
| Ordinary shares in issue | 7 | number 63,296,844 | number 63,759,589 | number 65,045,291 |

The notes on pages 16 to 21 form an integral part of these Half-Yearly financial statements.

Statement of Cash Flows

for the six month period to 31 December 2019

STRATEGIC EQUITY CAPITAL
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| | Six month period to 31 December 2019 unaudited £'000 | Year ended 30 June 2019 audited £'000 | Six month period to 31 December 2018 unaudited £'000 |
|--|---|---|---|
| Operating activities | | | |
| Net return before taxation | 14,015 | 2,343 | (17,435) |
| Adjustment for (gains)/losses on investments | (13,265) | (1,448) | 17,968 |
| Currency gains | (3) | (1) | (2) |
| Operating cash flows before movements in working capital | 747 | 894 | 531 |
| Increase in receivables | (106) | (57) | (338) |
| (Decrease)/increase in payables | (401) | 433 | (40) |
| Purchases of portfolio investments | (34,437) | (26,508) | (11,088) |
| Sales of portfolio investments | 27,891 | 34,953 | 12,117 |
| Net cash flow from operating activities | (6,306) | 9,715 | 1,182 |
| Financing activities | | | |
| Equity dividend paid | (951) | (661) | (661) |
| Shares bought back in the period | (1,171) | (6,838) | (4,218) |
| Net cash flow from financing activities | (2,122) | (7,499) | (4,879) |
| (Decrease)/increase in cash and cash equivalents for period | (8,428) | 2,216 | (3,697) |
| Cash and cash equivalents at start of period | 16,311 | 14,094 | 14,094 |
| Revaluation of foreign currency balances | 3 | 1 | 2 |
| Cash and cash equivalents at end of the period | 7,886 | 16,311 | 10,399 |

The notes on pages 16 to 21 form an integral part of these Half-Yearly financial statements.

Notes to the Financial Statements

for the six month period to 31 December 2019

1.1 Corporate information

Strategic Equity Capital plc is a public limited company incorporated and domiciled in the United Kingdom, registered in England and Wales under the Companies Act 2006 whose shares are publicly traded. The Company is an investment company as defined by Section 833 of the Companies Act 2006.

The Company carries on business as an investment trust within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

1.2 Basis of preparation/statement of compliance

The condensed interim financial statements of the Company have been prepared on a going concern basis and in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board (as adopted by the EU). They do not include all the information required for a full report and financial statements and should be read in conjunction with the report and financial statements of the Company for the year ended 30 June 2019, which have been prepared in accordance with IFRS as adopted by the EU. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trust companies and venture capital trusts issued by the AIC is consistent with the requirements of IFRS, the Directors have sought to prepare financial statements on a basis compliant with the recommendations of the SORP.

The condensed interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial statements for the six month periods to 31 December 2019 and 31 December 2018 have not been either audited or reviewed by the Company's Auditor. Information for the year ended 30 June 2019 has been extracted from the latest published Annual Report and financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

Convention

The financial statements are presented in Sterling, being the currency of the Primary Economic Environment in which the Company operates, rounded to the nearest thousand.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

1.3 Accounting policies

The accounting policies, presentation and method of computation used in these condensed financial statements are consistent with those used in the preparation of the financial statements for the year ended 30 June 2019.

1.4 New standards and interpretations not applied

Implementation of changes and accounting standards in the financial periods, as outlined in the financial statements for the year ended 30 June 2019, had no significant effect on the accounting or reporting of the Company.

2. Income

| | Six month period to 31 December 2019 unaudited £'000 | Year ended 30 June 2019 audited £'000 | Six month period to 31 December 2018 unaudited £'000 |
|--------------------------------|---|---|---|
| Income from investments | | | |
| UK dividend income | 1,697 | 3,116 | 1,434 |
| Other operating income | | | |
| Liquidity interest | 33 | 73 | 32 |
| Total income | 1,730 | 3,189 | 1,466 |

3. Other expenses

| | Six month period to 31 December 2019 unaudited £'000 | Year ended 30 June 2019 audited £'000 | Six month period to 31 December 2018 unaudited £'000 |
|-----------------------------|---|---|---|
| Secretarial services | 74 | 117 | 57 |
| Auditors' remuneration for: | | | |
| Audit services | 18 | 24 | 12 |
| Directors' remuneration | 71 | 131 | 67 |
| Other expenses | 140 | 304 | 168 |
| | 303 | 576 | 304 |

4. Dividend

The Company paid a final dividend of 1.50p in respect of the year ended 30 June 2019 (30 June 2018: 1.00p) per Ordinary share on 63,396,844 (30 June 2018: 66,135,700) shares, amounting to £950,953 (30 June 2018: £661,357). The dividend was paid on 13 November 2019 to Shareholders on the register at 11 October 2019. In line with previous years, the Board does not intend to propose an interim dividend.

5. Return per Ordinary share

| | Six month period to 31 December 2019 | | | Revenue return pence | Year ended 30 June 2019 | | | Six month period to 31 December 2018 | | |
|---------------------------|---|----------------------------|----------------|----------------------------|----------------------------|----------------------------|----------------|---|----------------------------|----------------|
| | Revenue return pence | Capital return pence | Total pence | | Revenue return pence | Capital return pence | Total pence | Revenue return pence | Capital return pence | Total pence |
| Return per Ordinary share | 1.25 | 20.85 | 22.10 | 2.11 | 1.48 | 3.59 | 0.80 | (27.17) | (26.37) | |

Returns per Ordinary share are calculated based on 63,428,216 (30 June 2019: 65,305,594 and 31 December 2018: 66,120,529) being the weighted average number of Ordinary shares, excluding shares held in treasury, in issue throughout the period.

Notes to the Financial Statements

for the six month period to 31 December 2019 *(continued)*

6. Investments

| | 31 December 2019 £'000 |
|---|---------------------------|
| <i>Investment portfolio summary</i> | |
| Quoted investments at fair value through profit or loss | 173,428 |
| Unquoted investments at fair value through profit or loss | 32 |
| | 173,460 |

The Company is required to classify its investments using a fair value hierarchy that reflects the subjectivity of the inputs used in measuring the fair value of each asset. The fair value hierarchy has the following levels:

Investments whose values are based on quoted market prices in active markets are classified within level 1 and include active listed equities. The Company does not adjust the quoted price for these instruments.

The definition of level 1 inputs refers to 'active markets' which is a market in which transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis. Due to the liquidity levels of the markets in which the Company trades, whether transactions take place with sufficient frequency and volume is a matter of judgement, and depends on the specific facts and circumstances. The Investment Manager has analysed trading volumes and frequency of the Company's portfolio and has determined these investments as level 1 of the hierarchy.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 instruments include private equity, as observable prices are not available for these securities the Company has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines.

The underlying funds primarily invest in private companies which are recorded at cost or fair value derived from private equity valuation models and techniques. The main inputs into the valuation models of the underlying funds include industry performance, company performance, quality of management, the price of the most recent financing round or prospects for the next financing round, exit opportunities which are available, liquidity preference and net present value analysis.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value of the investment.

6. Investments *(continued)*

Financial instruments at fair value through profit and loss as at 31 December 2019

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| Equity investments and limited partnership interests | 173,428 | – | 32 | 173,460 |
| Liquidity funds | – | 6,352 | – | 6,352 |
| Total | 173,428 | 6,352 | 32 | 179,812 |

The below table presents the movement in level 3 instruments for the period ended 31 December 2019.

| | £'000 |
|--|--------------|
| Opening balance at 30 June 2019 | 628 |
| Proceeds from disposals during the period | (545) |
| Gains on disposals during the period included in the Statement of Comprehensive Income | 519 |
| Decrease in unrealised appreciation for the period included in the Statement of Comprehensive Income | (570) |
| Closing balance at 31 December 2019 | 32 |

Investments in unquoted investment funds are generally held at the valuations provided by the managers of those funds. The valuation for Vintage I is as at 31 December 2019.

There were no transfers between levels for the period ended 31 December 2019.

A list of the portfolio holdings by their aggregate market values is given in the Investment Manager's Report on page 5.

| | 31 December 2019 Total £'000 |
|--------------------------------------|------------------------------------|
| <i>Analysis of capital gains:</i> | |
| Gains on sale of investments | 6,385 |
| Movement in investment holding gains | 6,880 |
| | 13,265 |

Notes to the Financial Statements

for the six month period to 31 December 2019 (*continued*)

7. Share capital

| | Number | 31 December 2019 £'000 |
|---|-------------------|---------------------------|
| Allotted, called up and fully paid Ordinary shares of 10p each: | | |
| At 30 June 2019 | 69,858,891 | 6,986 |
| Ordinary shares of 10p each held in treasury | (6,099,302) | (610) |
| Ordinary shares in circulation at 30 June 2019 | 63,759,589 | 6,376 |
| Share buy-backs during the period to be held in treasury | (462,745) | (46) |
| Ordinary shares in issue per Balance Sheet | 63,296,844 | 6,330 |
| Shares held in treasury | 6,562,047 | 656 |
| Ordinary shares in circulation at 31 December 2019 | 69,858,891 | 6,986 |

During the period to 31 December 2019 462,745 Ordinary shares were bought back by the Company and held in treasury.

8. Investment Manager's fee

A basic management fee is payable to the Investment Manager at the annual rate of 0.75% of the NAV of the Company. The basic management fee accrues daily and is payable quarterly in arrears.

The Investment Manager is also entitled to a performance fee, details of which are set out below.

9. Performance fee arrangements

The Company's performance is measured over rolling three-year periods ending on 30 June each year, by comparing the NAV total return per share over a performance period against the total return performance of the FTSE Small Cap (ex Investment Companies) Index. A performance fee is payable if the NAV total return per share (calculated before any accrual for any performance fee to be paid in respect of the relevant performance period) at the end of the relevant performance period exceeds both:

- (i) the NAV per share at the beginning of the relevant performance period as adjusted by the aggregate amount of (a) the total return on the FTSE Small Cap (ex Investment Companies) Index (expressed as a percentage) and (b) 2.0% per annum over the relevant performance period ("Benchmark NAV"); and
- (ii) the high watermark (which is the highest NAV per share by reference to which a performance fee was previously paid).

The Investment Manager is entitled to 10% of any excess of the NAV total return over the higher of the Benchmark NAV per share and the high watermark. The aggregate amount of the Management Fee and the Performance Fee in respect of each financial year of the Company shall not exceed an amount equal to 1.4% per annum of the NAV of the Company as at the end of the relevant financial period.

A performance fee of £45,000 has been accrued in respect of the six months ended 31 December 2019 (30 June 2019: £484,000; 31 December 2018: £nil).

10. Taxation

The tax charge for the half year is £nil (30 June 2019: £nil; 31 December 2018: £nil). The estimated effective corporation tax rate for the year ended 30 June 2020 is 0%. This is because investment gains are exempt from tax owing to the Company's status as an investment company and there is expected to be an excess of management expenses over taxable income.

11. Capital commitments and contingent liabilities

The Company has a commitment to invest €nil in Vintage I (30 June 2019: €1,560,000; 31 December 2018: €1,560,000).

12. Related party transactions

The Investment Manager is regarded as a related party of the Company.

The amount payable to the Investment Manager, in respect of management fees, during the period to 31 December 2019 was £635,000 (30 June 2019: £1,235,000; 31 December 2018: £631,000), of which £322,000 (30 June 2019: £318,000; 31 December 2018: £302,500) was outstanding at 31 December 2019. The amount due to the Investment Manager for performance fees at 31 December 2019 was £45,000 (30 June 2019: £484,000; 31 December 2018: £nil).

Directors and Advisers

Directors

Richard Hills (Chairman)
Richard Locke (Deputy Chairman)
William Barlow
Josephine Dixon
David Morrison

Auditor

KPMG LLP
Saltire Court
20 Castle Street
Edinburgh EH1 2EG

Broker

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London EC2V 7QP

Custodian

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

Depository

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25 Bank Street
Canary Wharf
London E14 5JP

Investment Manager

GVQ Investment Management Limited
16 Berkeley Street
London W1J 8DZ
Tel: 020 3907 4190

Registrar

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Tel: 0370 707 1285
Website: www.computershare.com

Solicitor

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Company Secretary and Administrator

PATAC Limited
21 Walker Street
Edinburgh EH3 7HX
Tel: 0131 538 6610

Registered Office

c/o Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Financial calendar

| | |
|-------------------------------|-------------|
| Company's year-end | 30 June |
| Annual results announced | October |
| Annual General Meeting | November |
| Company's half-year | 31 December |
| Half-yearly results announced | February |

Share price

The Company's Ordinary shares are premium listed on the main market of the London Stock Exchange plc (the "London Stock Exchange"). The share price is quoted daily in the Financial Times under 'Investment Companies'.

Share dealing

Shares can be traded through your usual stockbroker.

Share register enquiries

The register for the Ordinary shares is maintained by Computershare Investor Services plc ("Registrar"). In the event of queries regarding your holding, please contact the Registrar, on 0370 707 1285. Changes of name and/or address must be notified in writing to the Registrar, whose address is shown on page 22.

NAV

The Company's NAV is announced daily to the London Stock Exchange.

Website

Further information on the Company can be accessed via the Company's website: www.strategicequitycapital.com

STRATEGIC EQUITY CAPITAL PLC

www.strategicequitycapital.com