

# **Stramongate S.A.**

Investment company with fixed share capital  
(société d'investissement à capital fixe) established  
as a specialised investment fund

## **Unaudited interim condensed report and financial Statements**

**For the six month period ended 30 June 2021**

**R.C.S. Luxembourg B161312**

Stramongate S.A. (Stramongate) is the Company that invests proceeds from the sale of Provincial Insurance. Through the period ended 30 June 2021, the assets were managed and directed by Sandaire Investment Office (“Sandaire”), an investment office for families and foundations, and then by Cazenove Capital, the UK wealth management division of Schroder & Co Ltd.

Stramongate S.A. was established in 2011. It took over the assets of Stramongate Limited which had been formed in 1996 with the long-term goal of doubling the Company’s assets in real terms over a 30-year period and paying an annual dividend that keeps pace with inflation.

The brief given to our managers remained consistent with these objectives and we continue to seek total return over the long-term, using a variety of both asset classes and managers to achieve the best results consistent with a prudent degree of risk.

We believe this approach will give us the best long-term return.

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# Statement from the Chair

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This is a brief letter from your Chair, detailing the highlights of the period.

Dear Shareholder,

Your Board is pleased to present the financial results of your Company for the six months ended 30 June 2021.

Since I wrote my end of the year statement, many countries, including the United States, Canada, and those in Western Europe, have experienced welcome measures of relief from the COVID-19 pandemic. Progress has been enabled by rapid vaccine rollouts, with most EU countries and Canada overcoming their slow starts to have a percentage of populations now that are fully immunized that is higher than the United States. Whilst the Delta variant is still a concern for world leaders, the UK and Swedish experience seems to suggest that once a country has weathered a wave of Delta-driven cases it may be able to resume the transition toward normalcy without a sharp increase in hospital admissions. Governments are no longer overtly talking of achieving 'herd immunity', but of being able to control the burden of COVID-19 such that it can be managed as an endemic disease.

## Investment performance

As at 30 June 2021, your Company had net assets of £275m, which equated to a NAV (net asset value) per share of 769p, of which 4.8% was in the form of cash. Taking into account the dividend declared in May, your Company achieved a NAV total return of 5.7% for the first six months of the year, ahead of underlying GBP inflation measures.

Against the backdrop described above, financial markets, particularly equity markets, have continued to perform well. The portfolio's equity allocation was the main driver of the positive performance, returning +10.1% for the six month period. So far this year, western markets have outperformed their Asian counterparts, predominately as a result of their larger exposure to 'value' sectors such as energy, financials and miners, which benefited more from the gradual reopening of economies. Our investment manager, Cazenove Capital, provides more information on this and the performance from other parts of the portfolio later in this report.

The Company's NAV at the end of August was 782p per share. Following publication of this figure, Stramongate's share price quote was 769p, meaning that Stramongate's shares were trading at a slight discount to the NAV. This observation comes with the caveat that the share price will often not match the Company's NAV per share: it is fairly typical for listed investment companies to trade at a discount or premium to the underlying NAV.

## Dividend

Our policy of paying out a dividend that keeps up with inflation remains unaltered. For the year 2021, the Board has declared a total dividend of 13p, payable in two instalments of 6.5p in June and November respectively. The dividend represents 1.8% of the NAV at the start of the year and an increase of 3.2% on 2020's dividend.

## Purchase of own shares

The Board made no purchases of the Company's shares, under the authority granted by shareholders in November 2017, during the six-month period.

## Statement from the Chair (continued)

### **Outlook**

The Board continues its discussions with Cazenove Capital to refine our allocation to risk assets and on how it can deepen the integration of Environment, Social and Governance (ESG) factors and incorporate a sustainable objective. We look forward to providing shareholders with an update on developments at the appropriate time later this year.

Looking forward to the rest of 2021, my fellow Board members and I remain wary of geopolitical matters and their impact on markets. As I write this report we are witnessing the tragic unravelling of Afghanistan and a parlous state of relations between the USA and China. However, our portfolio is entirely unleveraged, and our overall liquidity position is strong, with over 75% of the assets capable of being liquidated within 1 calendar month. Should Cazenove Capital wish to boost our cash position (standing at around 5% of NAV today) and sovereign bond holdings, the portfolio is well positioned so that they can do so relatively quickly.

### **Annual Information Meeting**

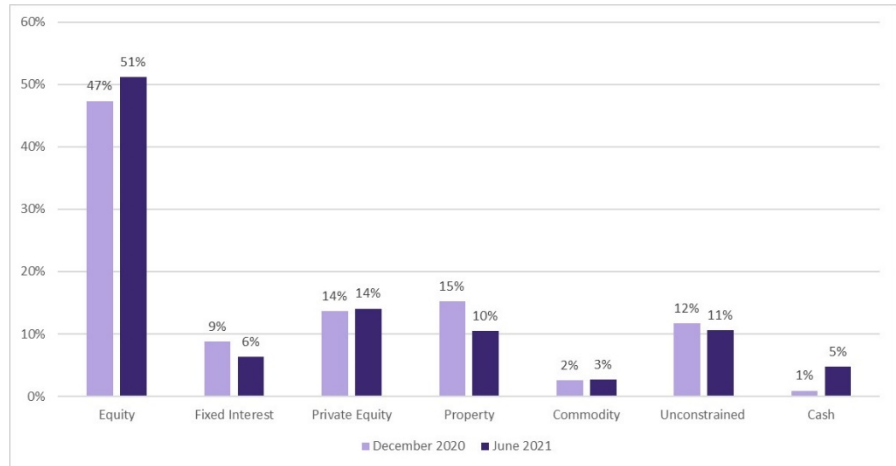
As usual, we are planning to hold an Annual Information Meeting for shareholders in London on 30 November 2021. I would encourage as many as possible to attend. We will, of course, keep Government guidance on gatherings in mind and under review and will provide updates on format and location nearer the time.

Yours sincerely,

Simona Heidempergher  
Chair

## Investment Portfolio by Asset Class

The chart below shows how the asset allocation has changed between the start of the year and the end of June 2021. More details on the movements are contained in the Investment Manager's Review which follows.



## Top 10 Holdings - 30 June 2021

The table below provides details of the ten largest holdings at the end of June 2021, showing their value as a percentage of the total portfolio.

	Asset Class	Value GBP m	%
Apperigg 1p Ordinary Shares Investment holding company	Private Equity	19.0	6.8%
SPDR MSCI-USA Value ETF ETF investing in US equities with value characteristics	Equity	17.0	6.1%
Robeco BP Global Premium Equity Managed fund investing in global equities with value characteristics	Equity	14.2	5.1%
Schroder Global Real Estate Securities Fund Managed fund investing globally in property companies	Property	13.4	4.8%
RWC Global Emerging Markets Managed fund investing in Emerging Market equities	Equity	13.2	4.8%
Vanguard S&P 500 ETF Passive ETF tracking performance of US S&P 500 market	Equity	12.8	4.6%
SPDR MSCI ACWI ETF Global equity ETF providing exposure to a broad universe of stocks	Equity	9.9	3.6%
T Rowe Price Continental Europe ETF Managed fund investing in Continental European equities	Equity	9.7	3.5%
Lennox Price Central London II Managed fund investing in prime London residential properties	Property	8.9	3.2%
Vanguard FTSE Japan ETF Passive ETF tracking performance of FTSE Japan index	Equity	7.6	2.7%

## Market review and portfolio performance

Global equity markets continued to make gains over the first half of 2021, despite material bouts of volatility in the first quarter, largely due to talk of an equity “market bubble”, as well as concerns about a shift in central bank policy. In performance terms, there was a rotation away from defensive and ‘growth’ equity sectors (the main outperformers in 2020) towards more economically sensitive or ‘value’ sectors such as energy and financials. This was widely dubbed the ‘reflation trade’ and was driven by growing momentum in the vaccine rollout, continued stimulus measures, improving earnings and more attractive relative valuations. Accordingly those markets with higher exposures to these ‘value’ sectors, such as the UK, outperformed during the first quarter. During the second quarter new Covid-19 variants, a slight tempering of inflation expectations as well as continued support from central banks saw the ‘reflation trade’ lose momentum, and performance was more broad based across both markets and sectors, with the US market outperforming.

Volatility also occurred in fixed income markets, as global nominal yields rose (meaning prices fell) sharply during the first quarter amid swift continued rollout of Covid-19 vaccinations, particularly in the US and UK, and expectations of a large US economic stimulus. It was the second worst quarter since 1980 for US Government bonds, with other markets also seeing large moves, as the 10-year US Treasury yield rose from 0.91% to 1.74%. However, with the yield on shorter dated bonds only rising modestly, investors will be cognisant that a steepening yield curve is an indicator of rising growth expectations, which could be positive for other assets e.g. equities, if corporate earnings increase. Whilst US 10 year break-evens (the yield difference between nominal and inflation-linked US government bonds) were effectively unchanged over the second quarter as a whole, inflation-linked US government bonds (US TIPS) benefitted from the compression in nominal yields.

Much like other defensive assets, gold performed better during the second quarter after a challenging start to the year where the re-opening of economies reduced investor demand in the ‘safe-haven’ asset. The price of gold remains closely correlated to the direction of real yields (yields adjusted for inflation) with history showing that falling real yields tend to be supportive for gold, and vice-versa. This relationship proved to be the case for much of the period and, given increased market expectations that central banks will not adjust interest rates if inflation continues to remain above their targets in the short term, remains the reason why we continue to hold gold in the portfolio.

Given the above environment, equities have been the main drive of performance within Stramongate’s portfolio. The strongest performers year-to-date have included the US equity managers (Edgewood US Growth fund and Heptagon Driehaus US Micro Cap fund), the UK and European holdings, and those more ‘value’ focussed strategies such as the Hermes Asia ex-Japan fund. Conversely, Japan has been a weak market this year. Although the rate of Covid infections in Japan remained markedly below most other countries, the persistent increase in cases led the government to delay lifting the state of emergency until 20 June. This, together with initial slow progress in the vaccine roll-out, has led to economic disappointment and the outlook remains challenged.

Performance has been mixed in other sectors, with divergence mainly coming between specific themes. Some of the higher growth managers (such as Morgan Stanley and Artisan Global equity funds) that performed very well in 2020 have lagged this year, particularly in the first quarter, as market leadership rotated. The Artisan Global Opportunities fund has been sold, with a proportion of the proceeds reinvested into the Robeco Boston Partners Global Premium Equity fund, which provides exposure to high quality, cyclical businesses that should benefit from ongoing economic recovery. We also made new investments in our long-term secular themes of 'clean energy and sustainability' and 'infrastructure' via the NinetyOne Global Environment and the Atlas Global Infrastructure fund respectively, with both funds producing positive returns since investment.

Outside of equities, the portfolio's fixed income holdings in aggregate were broadly flat for the first half of the year as positive contributions in the second quarter from the US TIPS and MetWest Unconstrained fund were offset by the weak first quarter for the long-dated US Treasury exposure.

As mentioned above, gold recouped some its first quarter losses but still ended the full period down -8.0% as investor demand for the 'safe haven' asset waned. Across the other alternative assets it was pleasing to see the hedge funds and the Round Hill Music Royalty fund produce a positive return, continuing their role in providing an uncorrelated and diversified returns from the portfolio's equity exposures. As detailed in the market outlook on page 7, we continue to see merit in owning diversifiers in the portfolio in the current environment. Finally, private equity returns were boosted as the valuation for Nanodimension increased following an uplift in portfolio company Inscripta which completed a funding round at a premium of 93% to the last valuation. This offset the negative return from HyTrust on news that the company had been sold, at the start of the year, at a price that would not generate any value to equity holders.

### **Portfolio positioning to new strategic asset allocation (SAA)**

The bar chart on page 3 shows the underlying asset allocation within the Company's portfolio at the start and end of the six month period to 30 June 2021.

As can be seen, there were some changes to the top-level allocations over the period as a result of transitioning the portfolio to its new strategic asset allocation (SAA) which was agreed by the Board in April. The main changes to the SAA are increased allocations to public equity and cash, with an offsetting reduction in property and fixed income. These changes raise the exposure to growth assets by 5%, while maintaining diversification in order to manage portfolio risk. While we remain optimistic about equities, we are currently underweight relative to our new SAA as we work towards building our equity exposure to more closely reflect the strategic framework we have agreed. We remain concerned about the risk of interest rate rises in the long term and continue to favour cash, commodities (gold) and hedge funds (alternatives) to provide uncorrelated returns and thus diversification of the overall portfolio.

### Stramongate's performance against benchmark

The table below summarises the performance of the portfolio by asset class, compared with the respective benchmark. Overall, the portfolio produced a positive return of +6.3% before fees and +5.7% after all fees and costs of the Company.

	Benchmark performance %	Stramongate performance %	Contribution to performance %
Cash	-	-0.3	0.0
Fixed Interest	-0.4	0.6	0.1
Equity	11.2	10.1	5.1
Private Equity	30.4	4.0	0.3
Property	13.1	6.2	0.9
Commodities	-	-8.0	-0.2
Unconstrained	-	1.0	0.1
Investment Performance	9.3	6.3	6.3
Net Portfolio Management Fees			-0.3
Total Return on Investment Portfolio			6.0
Other Fees and Net Expenses			-0.3
Total Return			5.7

Note: the portfolio's cash performance is adversely affected by currency gains and losses on non-GBP balances.

As can be seen from the 'Contribution to performance' column in the table above, the main driver of performance over the period was the equity asset class, which produced a positive return of +10.1% and contribution of +5.1%. The equity element marginally underperformed the benchmark, as the initial strength in cyclical stocks reverted back towards more growth-oriented businesses as the second quarter progressed. The change to SAA meant that the portfolio went from being moderately overweight equity, to very underweight. Given valuations and the volatility of markets, we have been gradually adding to equity over the period, but in a rising market, our underweight has also impacted relative returns.

The gold holding has been the largest negative contributor, returning -8.0% and contributing -0.2%, as investor demand for the 'safe-haven asset' waned during the first quarter, but recovered given increased inflation expectations during the second quarter. Fixed interest returns were positive and outperformed due to the portfolio's higher allocation to inflation linked securities and lower duration (sensitivity to interest rate risk) than the benchmark. Whilst both the private equity and property allocations produced positive returns they underperformed their respective publicly traded benchmarks.

### **Market outlook**

Since the market lows of March 2020, global equities have recovered very well. As we move into the second half of 2021, we expect equity market returns to remain in positive territory, albeit more muted than those of the past 15 months. Historically this has been relatively typical of equity markets as the business cycle progresses and the rate of improvement in economic activity starts to moderate.

We might also expect that as the cycle progresses, the driver of equity market returns may shift from company valuation multiples re-rating (a function of renewed investor optimism as economies emerge from recessions), towards earnings growth. Positively, earnings expectations remain robust which should be supportive of ongoing equity market performance, however we could start to see greater dispersion between sectors and stocks.

Since the approval of Covid vaccines we have seen a rally in cyclically sensitive 'value' stocks, supported by improving economic activity, rising inflation expectations and steepening yield curves. The current environment should continue to be supportive for further 'value' performance, due to improving economic activity as restrictions are lifted, the potential for higher short-term inflation driven by rising commodity prices and returning consumer demand as the service sector re-opens. However, we also see a potential market shift towards more 'quality' sectors trading at attractive valuations, such as healthcare.

Risks remain to the outlook: given the growing momentum we have seen in vaccine distributions, we feel the probability of a significant deflationary risk event (a vaccine fail scenario) has declined, with the greater risk coming from inflationary scenarios. We therefore maintain an exposure to defensive and diversifying assets, with a preference for those assets which we feel offer a degree of protection against rising inflation, such as inflation protected US government bonds (US TIPS) and gold. We also continue to seek to own 'diversifiers' such as hedge funds and other alternatives (assets such as infrastructure, renewables, specialist property) which can demonstrate a low correlation to equity markets, and provide alternative sources of return as well as some downside protection.

**Alex Tate, Portfolio Director**  
**Cazenove Capital**

August 2021

## **Directors**

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Simona Heidempergher (Chair)  
William H.S. Simmonds  
Andreas J. Bär  
Nicolas H.E. Oltramare  
F. Alexander Scott  
Beat Wittmann

## **Registered Office**

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## **Investment Manager**

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Cazenove Capital\*  
(from 1 May 2021)  
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London  
EC2Y 5AU

## **Administrator**

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## **Depositary Bank**

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Pictet & Cie (Europe) S.A.  
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## **Auditors to the Company**

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KPMG Luxembourg  
Société coopérative  
39, avenue J.F. Kennedy  
L-1855 Luxembourg

## **English Solicitors to the Company**

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Macfarlanes LLP  
20 Cursitor Street  
London  
EC4A 1LT

## **Jersey Advocates to the Company**

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Appleby  
13-14 Esplanade  
St Helier  
Jersey JE1 1BD

## **Luxembourg Legal Adviser to the Company**

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Loyens & Loeff  
18-20, rue Edward Steichen  
L-2540 Luxembourg

## **Listing Sponsor**

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Appleby Securities Channel Islands Limited  
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St Helier  
Jersey JE1 1BD

*\* Sandaire Investment Office is a trading name of Sandaire Limited, which is owned by Schroder & Co Limited. Cazenove Capital is a trading name of Schroder & Co Limited. Schroder & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).*

# Financial Statements

## Statement of financial position (Expressed in GBP)

The Statement of financial position is Stramongate's balance sheet.

The 'Total equity' represents the value of the shareholders' interest in the Company at the end of each financial period. It comprises the share capital, share premium, legal reserve and retained profits.

The Total equity equates to the value of all assets less liabilities, also known as the Net Asset Value (NAV).

NAV per share we started with:

**740.0p**

This is calculated by dividing the total equity at the end of 2020 (£264.8m) by the number of shares in issue at that time (35,778,999).

NAV per share we ended with:

**769.3p**

This is calculated by dividing the total equity at the end of June 2021 (£275.2m) by the number of shares in issue at that time (35,778,999).

	Notes	2021	2020
<b>ASSETS</b>			
Cash and cash equivalents		<b>13,283,162</b>	1,163,972
Directors fees receivable		<b>112,233</b>	8,236
Receivable on securities sold		-	-
Other receivables		-	-
Financial assets at fair value through profit or loss	5	<b>264,498,917</b>	264,040,605
<b>Total assets</b>		<b>277,894,312</b>	265,212,813
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	9	<b>35,778,999</b>	35,778,999
Share premium		<b>166,797,941</b>	166,797,941
Legal reserve		<b>3,692,663</b>	3,692,663
Retained earnings		<b>68,964,097</b>	58,500,585
<b>Total equity</b>		<b>275,233,700</b>	264,770,188
<b>LIABILITIES</b>			
Audit fee payable		<b>13,463</b>	28,307
Management fee payable	7.2	<b>237,869</b>	341,538
Administration fee payable	8.2	<b>27,015</b>	25,248
Depository fee payable	8.3	<b>39,136</b>	37,456
Redemptions payable		-	-
Accrued expenses and other payables		<b>2,338,401</b>	5,001
"Taxe d'abonnement" payable		<b>4,728</b>	5,075
<b>Total liabilities</b>		<b>2,660,612</b>	442,625
<b>Total equity and liabilities</b>		<b>277,894,312</b>	265,212,813

As at 30 June 2021, the total equity of the Company is represented by 35,778,999 shares in issue at a NAV per share of £7.69 (31 December 2020: £7.40).

The accompanying notes are an integral part of these financial statements.

## Financial statements (continued)

The Statement of comprehensive income is Stramongate's profit and loss account. It summarises the Company's income, gains, losses, costs and taxation – and the resulting profit or loss for a given period.

Recognised gains on financial instruments at fair value through profit or loss are the total net gains and losses for all investments sold during the period and the change in value during the period of any investment held at the end of the period.

The basic earnings per share of 42.3p in the period ended 30 June 2021 represents the net investment gain of 45.4p per share less the expenses of 3.1p per share.

The net investment gain per share of 45.4p is calculated by dividing the net investment gain (£16.2m) by the average number of shares in issue during the period (35,778,999).

The expenses per share of 3.1p is calculated by dividing the total expenses (£1.1m) and withholding tax (£0.0m) by the average number of shares in issue during the period (35,778,999).

## Statement of comprehensive income (Expressed in GBP)

	Notes	For the period ended 30 June 2021	For the year ended 31 December 2020
<b>Income</b>			
Net foreign exchange gain/(loss)		<b>(45,716)</b>	201,764
Interest income using the effective interest method		<b>3,162</b>	35,609
Dividend income		<b>667,592</b>	1,583,168
Management fees received		-	-
Net gain from financial instruments at fair value through profit or loss	11	<b>15,607,565</b>	19,333,477
<b>Net investment gain</b>		<b>16,232,603</b>	21,154,018
<b>Expenses</b>			
Management fees	7.2	<b>690,985</b>	1,538,952
Administration fees	8.2	<b>53,073</b>	98,413
Audit and professional fees		<b>152,024</b>	370,080
Depositary fees	8.3	<b>77,992</b>	147,070
Directors' fees	7.1	<b>96,620</b>	207,310
Interest expense		<b>1,378</b>	3,284
General and other expenses		<b>45,749</b>	116,683
<b>Total expenses</b>		<b>1,117,821</b>	2,481,792
<b>Profit before tax</b>		<b>15,114,782</b>	18,672,226
Withholding tax		-	4,832
<b>Profit for the year/period</b>		<b>15,114,782</b>	18,677,058
<i>Basic earnings per share (GBP)</i>	10	<b>0.423</b>	0.520
<i>Diluted earnings per share (GBP)</i>	10	<b>0.423</b>	0.520

The accompanying notes are an integral part of these financial statements.

## Financial Statements (continued)

### Statement of changes in equity (Expressed in GBP)

As explained above, Total equity represents the total value of the shareholders' interest in a company, 'its own assets'.

The movement during a period equals the total recognised gains and losses less any cash paid to shareholders (usually in the form of dividends but possibly as a share buy-back).

Under Luxembourg law, the Company must appropriate to a legal reserve a minimum of 5% of the net profit, until such reserve reached 10% of the share capital. Distribution of the legal reserve is restricted.

During the period ended 30 June 2021, the Company declared a dividend of 13.0p per share.

During 2020, the Company paid 12.6p per share in dividend.

#### For the period ended at 30 June 2021

	Share capital	Share premium	Legal reserve	Retained earnings	Total equity
<b>Balance at the beginning of the period</b>	<b>35,778,999</b>	<b>166,797,941</b>	<b>3,692,663</b>	<b>58,500,585</b>	<b>264,770,188</b>
Total profit for the period	-	-	-	15,114,782	15,114,782
Dividend distributions	-	-	-	(4,651,270)	(4,651,270)
<b>Balance at the end of the period</b>	<b>35,778,999</b>	<b>166,797,941</b>	<b>3,692,663</b>	<b>68,964,097</b>	<b>275,233,700</b>

#### For the year ended at 31 December 2020

	Share capital	Share premium	Legal reserve	Retained earnings	Total equity
<b>Balance at the beginning of the year</b>	<b>35,961,601</b>	<b>166,797,941</b>	<b>3,692,663</b>	<b>45,298,965</b>	<b>251,751,170</b>
Total profit for the year	-	-	-	18,677,058	18,677,058
Dividend distributions	-	-	-	(4,531,162)	(4,531,162)
Repurchase of own shares	(182,602)	-	-	(944,276)	(1,126,878)
<b>Balance at the end of the year</b>	<b>35,778,999</b>	<b>166,797,941</b>	<b>3,692,663</b>	<b>58,500,585</b>	<b>264,770,188</b>

The accompanying notes are an integral part of these financial statements.

## Financial statements (continued)

For a trading company cash flows are what ultimately matter to investors – how much money actually comes in is more important to investors than accounting profits. However, Stramongate is an investment company and cash is seen in a similar way to all other investments. Whereas the statement of comprehensive income will show all accounting entries, the cash flow statement records the actual movements in cash in an accounting period. All cash received by the Company and spent by the Company will be shown in this statement. Broadly the cash flow excludes revaluations and devaluations in asset value which are not the result of a sale or purchase and other non-cash elements which appear in the profit and loss statement.

## Statement of cash flows (Expressed in GBP)

	For the period ended 30 June 2021	For the year ended 31 December 2020
<b>Cash flows from operating activities:</b>		
Profit for the year/period	<b>15,114,782</b>	18,677,058
<b>Adjustments for:</b>		
Dividend income	<b>(667,592)</b>	(1,583,168)
Interest income using the effective interest method	<b>(3,162)</b>	(35,609)
Foreign exchange loss/(gain)	<b>45,716</b>	(201,764)
Effect of exchange rate fluctuations on cash and cash equivalents	<b>(374,057)</b>	32,459
<b>Changes in operating assets and liabilities:</b>		
(Increase) in financial instruments at fair value through profit or loss	<b>(458,312)</b>	(34,503,751)
(Increase) in directors fees receivable	<b>(103,997)</b>	(8,236)
(Decrease)/Increase in receivable on securities sold	-	7,790,424
(Decrease)/Increase in other receivables	-	4,622
Increase/(Decrease) in audit fee payable	<b>(14,844)</b>	28,307
(Decrease)/Increase in management fee payable	<b>(103,669)</b>	(2,009)
(Decrease) in administration fee payable	<b>1,767</b>	(178)
(Decrease)/Increase in depositary fee payable	<b>1,680</b>	418
(Decrease) in "Taxe d'abonnement" payable	<b>(347)</b>	(107)
(Decrease) in directors' fees payable	-	-
(Decrease)/Increase in redemptions payable	-	(880,727)
(Decrease)/Increase in accrued expenses and other payables	<b>2,333,400</b>	1,413
<b>Cash from operating activities</b>	<b>15,771,365</b>	(10,680,848)
Dividends paid to the shareholders	<b>(4,651,270)</b>	(4,531,162)
Dividends received	<b>667,592</b>	1,583,168
Interest received	<b>3,162</b>	35,609
Foreign exchange (loss)/gain	<b>(45,716)</b>	201,764
<b>Net cash used in operating activities</b>	<b>11,745,133</b>	(13,391,469)
Repurchase of own shares	-	(1,126,878)
<b>Net cash used in financing activities</b>	-	(1,126,878)
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	<b>11,745,133</b>	(14,518,347)
Cash and cash equivalents at the beginning of the year/period	<b>1,163,972</b>	15,714,778
Effect of exchange rate fluctuations on cash and cash equivalents	<b>374,057</b>	(32,459)
<b>Cash and cash equivalents at the end of the year/period</b>	<b>13,283,162</b>	1,163,972
<b>Supplementary cash flow information</b>		
<b>Cash from operating activities includes:</b>		
Foreign tax paid	<b>(15)</b>	(154)
Taxe d'abonnement paid	<b>(10,240)</b>	(19,831)
Withholding Tax Dividend	-	4,832
<b>Tax paid</b>	<b>(10,256)</b>	(15,153)

The accompanying notes are an integral part of these financial statements.

## Schedule of financial instruments at fair value through profit or loss

As at 30 June 2021			
	Currency	Fair value in GBP	% of Equity
<b>Financial assets at fair value through profit or loss</b>			
<b>Debt securities</b>			
0% Stramongate Property Holdings Sarl 20/21	GBP	1,065,000	0.40%
<b>Total debt securities</b>		<b>1,065,000</b>	<b>0.40%</b>
<b>Equities</b>			
IP Group	GBP	3,979,714	1.45%
Sicut Enterprises	GBP	396,686	0.14%
Stramongate Property Holdings	EUR	10,301	0.00%
<b>Total equities</b>		<b>4,386,701</b>	<b>1.59%</b>
<b>Exchange traded certificates</b>			
Gold (iShares Physical Metal)	USD	7,270,222	2.64%
<b>Total exchange traded certificates</b>		<b>7,270,222</b>	<b>2.64%</b>
<b>Investment funds</b>			
Atlas Global Infrastructure Fund	GBP	3,446,687	1.25%
Crabel Gemini Fund	GBP	5,895,127	2.14%
CS Investment 4 Cat Bond Fund	GBP	3,591,882	1.31%
Edgewood L Select US Selection Growth	USD	2,428,542	0.88%
Edgewood L Select US Selection Growth	GBP	6,917,028	2.51%
EMAC Illyrian Land Fund	EUR	344,948	0.13%
Franklin Templeton UK Manager Focus	GBP	6,969,522	2.53%
Heptagon Driehaus US Micro Cap	GBP	6,999,395	2.54%
Hermes Asia Ex Japan Equity Fund	GBP	4,378,031	1.59%
Invesco Graf Global Real Estate	GBP	5,335,423	1.94%
iShares UK Gilts 0-5yr	GBP	3,366,201	1.22%
iShares USD Treasury Bonds 7-10yr	GBP	1,617,159	0.59%
Legg Mason Western Asset Macro Opportunities	GBP	1,739,822	0.63%
Mirova Global Sustainable Equity	GBP	5,305,520	1.93%
Montlake Chelodina	GBP	5,971,568	2.17%
Morgan Stanley Global Opportunity Fund	USD	5,361,423	1.95%
Multi UL Lyxor Core US Tips ETF	GBP	4,969,020	1.81%
Muzinich Global Short Duration Investment Grade Fund	GBP	3,458,879	1.26%
Ninety One Funds Series III Global Environment Fund	GBP	5,120,270	1.86%
Pergam Partners III & Cie	USD	293,047	0.11%

Schedule of financial instruments at fair value through profit or loss

		As at 30 June 2021	
	Currency	Fair value in GBP	% of Equity
<b>Financial assets at fair value through profit or loss (continued)</b>			
<b>Investment funds (continued)</b>			
Robeco CGF BP Global Premium Equities	GBP	14,198,310	5.16%
Round Hill Music Royalty Fund	USD	2,422,238	0.88%
RV Capital Asia Opportunity	GBP	5,410,351	1.97%
RWC Global Emerging Markets	GBP	13,209,759	4.80%
Schroder Global Cities Real Estate	GBP	13,410,322	4.87%
Selwood Market Neutral Credit Fund	GBP	6,101,444	2.22%
SSGA SPDR FTSE UK All Share	GBP	3,804,460	1.38%
SSGA SPDR MSCI ACWI	GBP	9,875,796	3.59%
SSGA SPDR USA Value	GBP	16,993,060	6.17%
T.Rowe Price Continental European Equities	EUR	9,672,648	3.51%
TCW Metwest Unconstrained Bond	GBP	2,408,264	0.87%
Vanguard FTSE Developed Europe ex UK	GBP	2,520,275	0.92%
Vanguard FTSE Japan UCITS	GBP	7,575,665	2.75%
Vanguard S&P 500	GBP	12,769,601	4.64%
Veritas Funds Veritas Asian	GBP	4,546,134	1.65%
<b>Total investment funds</b>		<b>208,427,821</b>	<b>75.73%</b>
<b>Private equity investments</b>			
Accelerate - IT Ventures I LP	USD	6,136,855	2.23%
AITV Hytrust SPV LP	USD	-	0.00%
Applerigg Limited	GBP	18,978,836	6.90%
Coller International Partners V LP	USD	129,591	0.05%
Crysalin Limited	GBP	-	0.00%
Draper Fischer J.G. 2006 P.LP	USD	1,653,497	0.60%
DV3 Realisation Co Limited	GBP	-	0.00%
Equity Harvest Fund LP	GBP	-	0.00%
Ethemba Capital (Gp) No.1 LP	EUR	121,954	0.04%
Genagro Ltd	USD	27,642	0.01%
Healthpoint Cap. Private Equity II LP	USD	84,488	0.03%
IW Technology Limited	USD	-	0.00%
Knightsbridge Integrated Holdings V LP	USD	257,774	0.09%
Lennox GP II Limited	GBP	8,920,362	3.24%
Melford Special Situations LP	GBP	73,866	0.03%
Nanodimension II LP	USD	3,508,677	1.27%
Next Wave Partners IB LP	GBP	68,722	0.02%

Schedule of financial instruments at fair value through profit or loss

As at 30 June 2021			
	Currency	Fair value in GBP	% of Equity
<b>Financial assets at fair value through profit or loss (continued)</b>			
<b>Private equity investments (continued)</b>			
OCM European Opportunities II	EUR	51,704	0.02%
Oxford Sciences Innovation Plc	GBP	2,639,585	0.96%
Spring Capital Asia Fund LP	USD	302,848	0.11%
Terra Firma Capital Part.III LP	EUR	18,712	0.01%
Trurating Ltd - Class C	GBP	249,373	0.09%
Trurating Ltd - Class D	GBP	124,687	0.05%
Urban Wimax Networks	GBP	-	0.00%
<b>Total private equity investments</b>		<b>43,349,173</b>	<b>15.75%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>264,498,917</b>	<b>96.10%</b>
<b>Total financial instruments at fair value through profit or loss</b>		<b>264,498,917</b>	<b>96.10%</b>

## Notes to the financial statements

For the period ended 30 June 2021

To simplify the bulk of the accounts large amounts of detail are placed in the notes section. The notes therefore give information that is more comprehensive and in many cases show the makeup of important figures within the accounts.

### NOTE 1 – ACTIVITY

STRAMONGATE S.A. (the “Company”) was incorporated on 17 May 2011 as a Luxembourg public company limited by shares (*société anonyme*) qualifying as an investment company with fixed share capital established as a closed-ended specialised investment fund (*société d'investissement à capital fixe - fonds d'investissement spécialisé* (SICAF-SIF)) under Company Law and the SIF Law. The Company has its registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The shares of the Company are listed on the International Stock Exchange (based in the Channel Islands).

The Stramongate Group was formed in 1996 to invest the proceeds of the sale of Provincial Insurance and was restructured into a SICAF SIF in November 2011.

The Company's long term investment goal is to double the assets in real terms over 30 years while paying an annual dividend that keeps pace with inflation.

The financial statements were authorised for issue by the Board of Directors on 21 September 2021.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as approved by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

#### Basis of preparation

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020, as described in those annual financial statements.

### NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENT IN APPLYING ACCOUNTING POLICIES

Application of the accounting policies in the preparation of the financial statements requires the Directors to apply judgment involving assumptions and estimates concerning future results and other developments, including the likelihood, timing or amount of future transactions or events.

This is particularly true when it comes to the valuation of the private equity investments in the Company's portfolio.

### NOTE 4 - FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020. In the opinion of the Directors, there have been no changes to the financial risk management objectives.

**NOTE 5 – FINANCIAL INSTRUMENTS**

The carrying amounts of financial instruments at 30 June 2021 are as follows:

(All amounts in GBP)	2021	2020
<b>Mandatorily measured at fair value through profit or loss upon initial recognition</b>		
Debt securities	1,065,000	1,065,000
Equities	4,386,701	3,788,816
Investment funds	208,427,821	203,413,478
Private equity investments	43,349,173	49,151,259
Floating rate notes	-	-
Exchange traded certificates	7,270,222	6,622,052
<b>Total mandatorily measured at fair value through profit or loss upon initial recognition</b>	<b>264,498,917</b>	<b>264,040,605</b>
<b>Total value of financial assets at fair value through profit or loss</b>	<b>264,498,917</b>	<b>264,040,605</b>

The Company had investment in an associate, Applerigg Limited, through the holding of 48.69% (2020: 48.69%) of the voting rights of Applerigg Limited.

Applerigg Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, United Kingdom, SO53 3LG.

The Company prepares separate financial statements as its only financial statements as management concluded that it meets the definition of an investment entity in accordance with IFRS 10, Consolidated financial statements.

**NOTE 6 – FINANCIAL INSTRUMENTS BY CATEGORY**

30 June 2021 (All amounts in GBP)	Financial assets mandatorily at fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
Financial assets at fair value through profit or loss	264,498,917	-	-	264,498,917
Directors fees receivable	-	112,233	-	112,233
Cash and cash equivalents	-	13,283,162	-	13,283,162
	<b>264,498,917</b>	<b>13,395,395</b>	<b>-</b>	<b>277,894,312</b>
Management fee payable	-	-	237,869	237,869
Audit fee payable	-	-	13,463	13,463
Administration fee payable	-	-	27,015	27,015
Depository fee payable	-	-	39,136	39,136
"Taxe d'abonnement" payable	-	-	4,728	4,728
Accrued expenses and other payables	-	-	2,338,401	2,338,401
	-	-	<b>2,660,612</b>	<b>2,660,612</b>

**NOTE 6 – FINANCIAL INSTRUMENTS BY CATEGORY (continued)**

<b>31 December 2020</b> (All amounts in GBP)	<b>Financial assets mandatorily at fair value through profit or loss</b>	<b>Financial assets at amortized cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
Financial assets at fair value through profit or loss	264,040,605	-	-	264,040,605
Directors fees receivable	-	8,236	-	8,236
Cash and cash equivalents	-	1,163,972	-	1,163,972
	<b>264,040,605</b>	<b>1,172,208</b>	<b>-</b>	<b>265,212,813</b>
Management fee payable	-	-	341,538	341,538
Audit fee payable	-	-	28,307	28,307
Administration fee payable	-	-	25,248	25,248
Depository fee payable	-	-	37,456	37,456
"Taxe d'abonnement" payable	-	-	5,075	5,075
Accrued expenses and other payables	-	-	5,001	5,001
	<b>-</b>	<b>-</b>	<b>442,625</b>	<b>442,625</b>

**NOTE 7 – RELATED PARTY TRANSACTIONS**

Related party transactions are transfers of resources, services or obligations between related parties and the Company, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Company. The following parties are considered related parties.

**7.1 Board of Directors**

The Board of Directors received remuneration during the period, as detailed below. Disbursements for travel expenses, etc. incurred in relation to matters concerning the Company can be charged to the Company separately.

The Directors' fees for the period, which are shown in the statement of comprehensive income, amounted to £96,620 (for the year ended 31 December 2020: £207,310). As at 30 June 2021, Directors' fees payable shown in the statement of financial position, amounted to £0 (31 December 2020: £0).

The Directors fees accrued for the period ended 30 June 2021 amounted to £96,620 whereas the provision Directors fees amounted to £208,854. The difference of an amount of £112,233 is shown in Assets in the Statement of Financial Position as Directors fees receivable.

**7.2 Investment Manager**

**Management fees**

The Investment Manager received a management fee (the "Management Fee"), payable quarterly by the Company. The Management Fee consists of a variable element and fixed element. The variable element, for investment management, was equal to 0.50% per annum of the Total Equity less the value of holdings in Applerigg. The fixed element is £125,000 per annum for the provision of corporate and other support services.

**NOTE 7 – RELATED PARTY TRANSACTIONS (continued)**

**7.2 Investment Manager (continued)**

**Management fees (continued)**

The Management Fee for the period, which is shown in the statement of comprehensive income, amounted to £690,985 (for the year ended 31 December 2020: £1,538,952). As at 30 June 2021, the Management Fee payable, shown in the statement of financial position, amounted to £237,869 (31 December 2020: £341,538).

**7.3 Related Party transactions**

**Directors' interests**

Alexander Scott is a shareholder of Applerigg Limited and Chairman of Schroders Global Family Office Service, which alongside Stramongate's investment manager Cazenove Capital, is owned by Schroder & Co Limited.

William Simmonds is a shareholder of Applerigg Limited.

No other Director has an interest in any related party.

As at 30 June 2021, the total of the Company's investments in Applerigg Limited amounted to 6.90% of the NAV (31 December 2020: 6.94%)

**7.4 Repurchase of shares**

The Company did not repurchase any of its own shares during the period. Details are provided in note 9.

**7.5 Subsidiary**

As at 30 June 2021, Stramongate S.A. owned 100% of Stramongate Property Holdings SARL, a Special Purpose Vehicle. Stramongate Property Holdings SARL is a Luxembourg limited liability company (*société à responsabilité limitée*) with its registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Simona Heidempergher is the sole Manager of Stramongate Property Holdings SARL and is a Director of Stramongate S.A..

As at 30 June 2021, the total of the Company's investments in Stramongate Property Holdings SARL amounted to 0.39% of the NAV (31 December 2020: 0.41%).

**7.6 Entities managed by the same group**

As at 30 June 2021, the Company had investments in Schroder Global Cities Real Estate amounting to 4.87% of the NAV (31 December 2020: 4.51%). This investment is managed by Schroder UT Managers which is under the same group as Cazenove Capital, the investment manager of the Company.

**NOTE 8 – RELEVANT CONTRACTS**

**8.1 Investment Manager**

The Company has entered into an investment management agreement with the Investment Manager. The Investment Manager will provide certain investment management and advisory services to the Company. See note 7.2 for further details of the contractual arrangements.

**NOTE 8 – RELEVANT CONTRACTS (continued)**

**8.2 Administrator**

The fee payable to the Administrator, FundPartner Solutions (Europe) S.A., equal to an annual rate of 0.04% on the net assets per annum, payable quarterly and calculated on the average net assets of the Company.

The Administrator's fees for the period, which are shown in the statement of comprehensive income, amounted to £53,073 (for the year ended 31 December 2020: £98,413). As at 30 June 2021, Administrator's fees payable, shown in the statement of financial position, amounted to £27,015 (31 December 2020: £25,248).

**8.3 Depositary**

The Depositary, Pictet & Cie (Europe) S.A., is entitled to receive a fee 0.05% per annum on the Company net assets, except on the portion relating to private equity funds assets which will be charged at 0.10% on such assets. This fee is payable quarterly on the Company's average net assets.

The Depositary fees for the period, which are shown in the statement of comprehensive income, amounted to £77,992 (for the year ended 31 December 2020: £147,070). As at 30 June 2021, Depositary fees payable, shown in the statement of financial position, amounted to £39,136 (31 December 2020: £37,456).

**NOTE 9 – EQUITY**

The share capital of the Company is represented by shares, with a nominal value of £1 per share. As at 30 June 2021 the Company had a subscribed capital of £35,778,999 (31 December 2020: £35,778,999) represented by 35,778,999 shares (31 December 2019: 35,778,999 shares).

The minimum subscribed capital of the Company, increased by any share premium, as the case may be, is the equivalent of €1,250,000.

The share capital of the Company is represented by one class of shares, namely Class A. New classes of shares may be created in accordance with the Company Law.

The Company may purchase its own Shares within the limits set forth by Company Law and the authority granted by shareholders. During the six months to 30 June 2021, the Company did not purchased any shares (2020: 182,602 shares at an average price of £6.165).

The relevant movements on capital are shown in the statement of changes in equity.

The movement in shares for the financial period ended 30 June 2021 and the financial year ended 31 December 2020 is as follows:

<b>Number of Shares</b>	<b>2021</b>	<b>2020</b>
<b>Balance at the beginning of the year/period</b>	<b>35,778,999</b>	35,961,601
Issued during the year/period	-	-
Redeemed during the year/period	-	(182,602)
<b>Balance at the end of the year/period</b>	<b>35,778,999</b>	<b>35,778,999</b>

**NOTE 9 – EQUITY (continued)**

Under Luxembourg law, the Company is required to transfer 5% of its annual net profit to a reserve account from which no distribution may be made. This requirement is fully satisfied when the reserve has reached 10% of the Company's share capital. As at 30 June 2021, the Company has fully met the legal reserve requirement.

**NOTE 10 – EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the gain for the period of £15,114,782 (31 December 2020: gain of £18,677,058) by 35,778,999 (31 December 2019: 35,927,633) shares in issue during the period, being the weighted average number shares in issue during the period. There are no dilutive instruments and therefore the basic and diluted earnings per share are identical.

**NOTE 11 – RECOGNISED GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS**

For the period ended 30 June 2021 the recognised gains/(losses) on financial instruments consists of the following:

<b>Recognised gains/(losses) on financial instruments designated at fair value through profit or loss upon initial recognition</b>	<b>Period ended 30 June 2021</b>	<b>Year ended 31 December 2020</b>
<i>Realised gains</i>		
Market gains	<b>3,897,521</b>	<b>11,302,885</b>
<i>Unrealised gains</i>		
Changes in fair value	11,710,044	8,072,873
<b>Total recognised gains/(losses) on financial instruments designated at fair value through profit or loss</b>	<b>15,607,565</b>	<b>19,375,758</b>
<b>Recognised gains/(losses) on financial instruments held for trading</b>		
<i>Realised gains</i>		
Market (losses)	-	(42,281)
<i>Unrealised gains/(losses)</i>		
Changes in fair value	-	-
<b>Total recognised gains/(losses) on financial instruments held for trading</b>	<b>-</b>	<b>(42,281)</b>
<b>Net gain/(loss) from financial instruments at fair value through profit or loss</b>	<b>15,607,565</b>	<b>19,333,477</b>

**NOTE 12 – GUARANTEES**

As at 30 June 2021, the Company had provided the following guarantees:

- A contract with OCM European Principal Opportunities Fund for an amount of EUR 4,200;
- A contract with Lennox Prime Central London Residential for an amount of GBP 590,392;
- A contract with Accelerate - IT Ventures Fund I L.P. for an amount of USD 181,051;
- A contract with Ethemba Capital No.1 LP for an amount of EUR 3,020,117;
- A contract with Nanodimension II LP for an amount of USD 150,000;
- A contract with Spring Capital Asia Fund LP for an amount of USD 122,452;
- A contract with Collier International Partners V LP for an amount of GBP 50,000.

These guarantees correspond to the remaining capital to invest.

**NOTE 13 – OPERATING SEGMENTS**

The Board of Directors considers the Company as a single reportable entity. The performance of the Company is measured by its profits and is reviewed by the Board of Directors on a frequent basis. The Board of Directors believes that such information is the most relevant in evaluating the results of the Company.

**NOTE 14 – EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE**

There have been no material events after the reporting date which requires disclosure or adjustments to the financial statements for the period ended 30 June 2021.

