ODYSSEAN
INVESTMENT TRUST PLC

Interim Report
for the period ended 30 September 2018

About Us

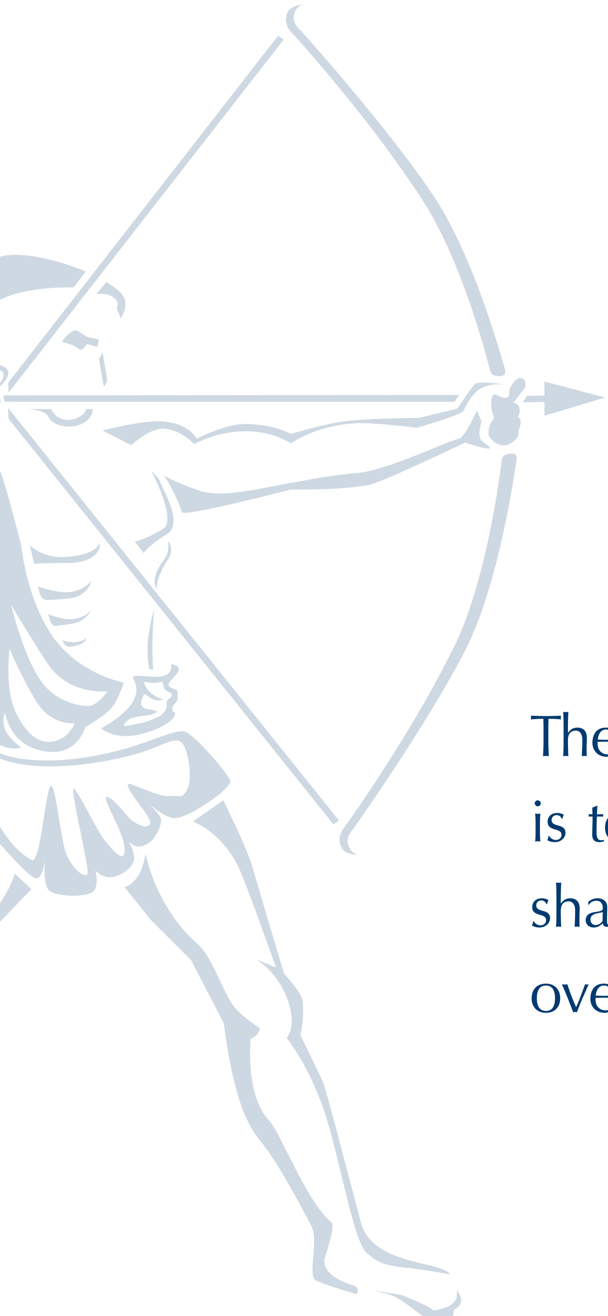
Odyssean Investment Trust PLC (the "Company", the "Trust" or "OIT") is an investment trust which has a premium listing on the Official List of the UK Listing Authority and trades on the Premium Segment of the Main Market of the London Stock Exchange. The Company had total net assets of £88.0m as at 30 September 2018.

The Board of the Company comprises four non-executive Directors, all of whom are independent of the portfolio manager, Odyssean Capital LLP ("Odyssean" or the "Portfolio Manager").

This is the first Interim Report of the Company, covering the period from incorporation on 21 December 2017 to 30 September 2018.

Contents

Objective



The investment objective of the Company is to achieve attractive total returns per share principally through capital growth over a long-term period.

Investment Policy

The Company primarily invests in smaller company equities quoted on markets operated by the London Stock Exchange, which the Portfolio Manager believes are trading below intrinsic value and where this value can be increased through strategic, operational, management and/or financial initiatives.

It is expected that the majority of the portfolio by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index, although there are no specific restrictions on the market capitalisation of issuers into which the Company may invest.

The portfolio will typically consist of up to 25 holdings, with the top 10 holdings accounting for the majority of the Company's aggregate net asset value, across a range of industries.

The Company may hold cash in the portfolio from time to time to maintain investment flexibility. There is no limit on the amount of cash which may be held by the Company from time to time.

Where the Company owns an influencing stake, it will engage with other stakeholders to help improve value. The Company may, at times, invest in securities quoted on other recognised exchanges and/or unquoted securities.

Investment restrictions

- No exposure to any investee company will exceed 15% of net asset value at the time of investment.
- The Company may invest up to 20% of gross assets at the time of investment in unquoted securities where the issuer has its principal place of business in the UK.
- The Company may invest up to 20% of gross assets at the time of investment in quoted securities not traded on the London Stock Exchange.
- The Company will not invest more than 10%, in aggregate, of gross assets at the time of investment in other listed closed-ended investment funds.

Borrowings

The Company does not intend to incur borrowings for investment purposes, although the Company may, from time to time, utilise borrowings over the short term for working capital purposes up to 10% of net asset value at the time of borrowing.

Derivatives and hedging

The Company will not use derivatives for investment purposes. It is expected that the Company's assets will be predominantly denominated in Sterling and, as such, the Company does not intend to engage in hedging arrangements. However, the Company may do so if the Board deems it appropriate for efficient portfolio management purposes.

General

The Company will not be required to dispose of any asset or to rebalance the portfolio as a result of a change in the respective valuations of its assets.

The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010.

Any material change to the Company's investment policy set out above will require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the UK Listing Authority. Non-material changes to the investment policy may be approved by the Board.

Financial Summary

Results for the period	As at 30 September 2018
Shareholders’ funds	£88.0m
Net asset value per ordinary share (“NAV”)	99.7p
Share price per ordinary share	103.0p
Share price premium to NAV	3.3%

	Period to 30 September 2018
Revenue return per ordinary share*	(0.5p)
Capital return per ordinary share*	1.8p
Total return per ordinary share*	1.3p

* Based on the weighted average number of shares in issue during the period.

High/low		Period to 30 September 2018
NAV	– high	99.8p
	– low	97.5p
Share price	– high	107.5p
	– low	101.5p
Share price premium to NAV	– high	9.7%
	– low	2.7%

Performance	Period to 30 September 2018
NAV total return	1.4%
Numis Smaller Companies ex-Investment Trusts plus AIM Index Total Return	(0.4%)

Cost of running the Company	Period to 30 September 2018
Annualised ongoing charges*	1.6%

* See glossary on page 35.

Past performance is not a guide to future performance.

Chairman's Statement

This is the first Interim Report of the Company and covers the period from incorporation to 30 September 2018. The Company raised £87.46m at its IPO on 1 May 2018, which reflects the support for our long-term approach to investing and the ability and efforts of the Portfolio Manager. We are extremely proud of the list of shareholders who have backed the Company with a seven-year horizon and very grateful to them all for their support.

Half-year returns

Since the successful launch of the Company, the Portfolio Manager has been continuing the work which it started in December 2017 to identify and evaluate suitable opportunities which match the Company's investment strategy and objectives. Whilst the team has considerable long-term experience in the investment sector and accumulated knowledge of many of the potential target companies, they have been active in evaluating every potential portfolio company as if it were a new standalone investment.

The Portfolio Manager has been deploying capital progressively, into a market which has been generally weak. As at the end of the period, the Company's net cash balance had fallen to 55% and averaged 77%, broadly in line with expectations at the time of launch. The portfolio consisted of nine holdings, which reflects good progress given the intention to have a fully invested portfolio of 20-25 holdings and low portfolio turnover.

It is pleasing to report that a proportion of the invested capital has been deployed through participation in secondary fundraisings. This has three key benefits:

a) reducing transaction costs for the Company's shareholders, as placings attract neither stamp duty nor trading commission;

b) providing the Company with the ability to deploy capital in blocks; and

c) secondary fundraisings tend to be completed at a modest discount to the prevailing share price.

The broad comparator index, the Numis Smaller Companies ex-Investment Trusts plus AIM Index, peaked soon after the Company's IPO and fell 0.4% over the period. The Portfolio Manager has added value in the initial period with the NAV rising by 1.4%, a creditable result given average capital deployed of only 23%, leading to cash drag, as well as the transactional costs of investing the new capital. The significant volatility in the share prices of some of the portfolio companies, often driven by low volumes, also underlines the attractiveness of the Company's ability to pool assets to dampen volatility.

The dividend income accrued during the period was modest and more than offset by the Company's running costs, so no interim dividend has been declared.

The Board

We have an excellent Board of independent non-executive Directors, who have backed the strategy demonstrably with investment. They have a great deal of relevant and varied expertise to bring to the Company and are fully supportive of the Portfolio Manager. I am delighted to be working with them.

Outlook

The long-term investment case for smaller companies is well documented and accepted – namely, that patient long-term investors are rewarded with superior returns. It is an imperfect market and the Board shares the view of the Portfolio Manager that recently introduced legislation is and will continue to exacerbate some of the market imperfections, to the benefit of the Portfolio Manager's investment approach.

Chairman's Statement *(continued)*

The distinctive and highly-selective investment approach of the Portfolio Manager has the potential to deliver differentiated returns to the broader peer group over the long term. As the Company's portfolio becomes more invested, there will be increasing opportunities for the Portfolio Manager to augment returns from its stock selection through engaging with portfolio companies.

The Portfolio Manager's team has considerable experience in identifying companies which are undervalued by the market and which offer improvement potential, even in the event of a slowing macro-economic environment. It is this focus and the importance of capital preservation alongside growth which makes the Board confident that the Company remains well placed to generate attractive long-term returns.

Jane Tufnell
Chairman

29 November 2018

Portfolio Manager's Report

Details of the Portfolio Manager

The Company's Portfolio Manager is Odyssean Capital LLP.

The Portfolio Manager was founded in 2017 by Stuart Widdowson and Harwood Capital Management Limited, an independently owned investment group, and is jointly owned by both parties. The chairman of the Portfolio Manager is Ian Armitage, former CEO and chairman of HgCapital.

Harwood Capital LLP provides certain services to the Portfolio Manager, including but not limited to finance, operations and compliance. Harwood Capital is part of the Harwood Capital Management Group and was founded by Christopher Mills in 2011 following its demerger from JO Hambro Capital Management, in which Mr Mills was a founding, and the largest, shareholder. As at 30 September 2018, Harwood Capital had £1.1bn funds under management and Harwood Capital Management Group had approximately £4.5bn funds under management.

The Portfolio Manager's investment team, Stuart Widdowson and Edward Wielechowski, identify and undertake research on potential investee companies as well as managing the portfolio. They draw on the experience of a three-strong Panel of Advisors, who have run and invested in multiple quoted and unquoted smaller companies. In addition, the investment team draws on the expertise and experience of Mr Armitage and Mr Mills who have more than 85 years' combined investment experience in quoted and unquoted smaller companies.

Stuart Widdowson

Stuart has spent the last 18 years investing in public and private UK small and mid-size corporates and a further two years providing investment advisory services in the same field.

Prior to founding the Portfolio Manager, Stuart was at GVQ Investment Management ("GVQ"), where he held the position of fund manager and head of strategic investments for more than seven years. During his time at GVQ, Stuart led the transformation of the performance of Strategic Equity Capital plc ("SEC") and significantly improved shareholder value. Stuart led SEC to win several industry awards and was recognised as Fund Manager of the Year at both the PLC and QCA awards in 2015.

Stuart began his career as a strategy consultant undertaking commercial due diligence and strategy projects for private equity and corporate clients. In 2001, he joined HgCapital and spent five years working on small and mid-cap leveraged buyouts in the UK and Germany. During this time, he worked on a number of public to private transactions of UK quoted companies.

Ed Wielechowski

Ed joined the Portfolio Manager in December 2017 as a Fund Manager.

Prior to joining Odyssean, Ed was a Principal in the technology team at HgCapital. He joined HgCapital in 2006 and worked on numerous completed deals, including multiple bolt-on transactions made by portfolio companies. He has additional quoted market experience, having led the successful IPO of Manx Telecom plc in 2014, as well as having evaluated and executed public to private transactions. Ed started his career as an analyst in the UK mergers and acquisitions department of JPMorgan in 2004.

The investment approach

As Portfolio Manager, we employ a hybrid public and private equity investment approach. This involves selecting a concentrated portfolio of no more than 25 investee companies, which we believe can deliver an attractive risk-adjusted return over a three to five-year horizon. We target investment companies that are undervalued, of above average quality and where constructive corporate engagement can be used to help unlock or improve returns for all stakeholders.

The investment objective is to deliver long-term capital growth rather than outperform a specific index. This differentiated investment approach, the concentrated nature of the portfolio and our narrower sector focus is likely to lead to periods of NAV per share performance materially different to those of the broader peer group and comparator indices. We fully anticipate this potential short-term performance variance and will focus on comparative investment performance on a rolling three-year basis.

The absolute return mentality of the strategy, allied with the desire to avoid being a forced seller, may lead to net cash balances being held over the long term. We anticipate a core range of 8-12% over the long term. Net cash balances will not be used as an attempt to market time, but to enable us to invest where blocks of stock are available rather than being required to sell a less liquid holding on short notice.

Implementing the investment strategy

We believe that sustainable, differentiated long-term returns from quoted companies can be generated by seeking attractive valuations in higher quality companies which are underperforming relative to their potential, and subsequently engaging with them.

This highly selective, research-intensive, engaged investment approach can only be executed well with a smaller portfolio than many other fund managers are used to or comfortable with. The concentration can lead to periods of materially different performance to any comparator index, but over the long term, we believe it works well if properly executed. We have a combined c.30 years' experience in this area. In addition, we draw on the support of our advisers and non-executives of the Portfolio Manager, who all have decades of complementary experience.

There are three key factors we are seeking: 1) a valuation opportunity; 2) in a higher quality company; and 3) with improvement potential. Our view is that buying at a fair price and supporting improved performance generates capital growth, and that our quality filters mitigate losses in the event of unexpected headwinds.

Valuation

We look for two factors in every investment. Firstly, what we refer to as "static value" – does the company trade at a discount to its current value? This is not only judged by traditional public market ratios. We also seek to model every company through the lens of a private equity buyer (of which we have considerable experience). In addition, we evaluate whether an asset is attractive to a trade buyer and what price they would be prepared to pay to control it. This analysis includes valuing companies on a break up/sum of parts basis.

Secondly, we are looking for companies which can grow their value over time – "dynamic value". We particularly look for situations where there are as many as possible of the following drivers of value creation growth present, specifically: a) organic growth; b) margin growth driven by specific management action, not merely operational gearing; c) free cash generation and dividends; and d) increased rating. We believe seeking multiple value drivers makes an investment case more secure and less exposed to single areas of uncertainty or misjudgement. As a result, very few highly-rated growth/momentum investments pass our criteria. We have a strong preference for reasonably priced growth, recovery and self-help situations.

Quality

We assess every potential investment against qualitative and quantitative criteria, as well as providing a "litmus test" of whether we would be happy owning the whole company for the mid to longer term. The quality assessment is important to mitigate the risk of permanent capital destruction from investments which fail to achieve their value potential or, alternatively, experience a period of short-term earnings weakness or under-management. In our experience, if changes are required at board level, it is far easier to attract high calibre individuals and teams to an underperforming high-quality business, than an averagely performing poor quality company.

Portfolio Manager's Report *(continued)*

Improvement potential and engagement

We particularly like companies which are in some way underperforming relative to their potential, and where the current valuation does not price improvement potential. Once invested with a meaningful stake, constructive corporate engagement can help to unlock value, prevent it from being destroyed, and recover it if it is temporarily diminished. Our mantra is buy into good businesses and sell excellent businesses. The spectrum of areas which can be improved is broad and includes operating performance, asset utilisation, overly complex business structures/organisation, strategic direction, poor Mergers and Acquisitions ("M&A"), investor relations and, finally, governance and pay.

One of the benefits of having a fixed amount of capital to manage is that we, like many of our portfolio companies, are capital constrained. This means that once an investment no longer looks as attractive on a risk/reward basis as it used to or, alternatively, to the rest of the portfolio or other investments, we move it on. The downside of this is the risk of taking profits too early. The upside can be having the discipline to exit whilst there is still liquidity and "something in it for the next investor".

Progress over the period

Over the period to September 2018, apart from the initial three weeks, markets have been gently drifting in a downwards direction. Markets have been grappling with considerable geopolitical and domestic political uncertainty, rising interest rates in the USA and a strengthening US Dollar. The Great Financial Crisis is now a dim and distant memory to many. With the Asian Crisis now more than 20 years past, many currently active professional equity investors have never managed assets during a rate tightening cycle.

We have sought to be cautious when purchasing new holdings in the current environment. Deploying capital has been no less challenging than we anticipated, driven by very patchy liquidity. This, combined with market fragility, has led to considerable volatility in the prices of many stocks, which is not captured in the overall index performance. As an example, the average peak to trough share price movement was 27% across the Company's top three portfolio holdings over the period. In addition, the bid-offer spread on some of the companies has been 5% over the period.

Over the five-month period since IPO, the NAV of the Company increased by 1.4%. This return is stated after all costs, including the costs of purchasing the holding, and administration charges such as the fund management fee.

Pleasingly, the investment portfolio, excluding cash, was trading 4.9% higher than cost at the end of the period, compared with a fall in the comparator Numis Smaller Companies ex-Investment Trusts plus AIM Index of 0.4%. From the recent peak in the Index in May 2018, when the portfolio had 95% in cash and was trading at the same NAV as at launch, the Index has fallen 3.3%.

The capital raised by the Company in May 2018 has been progressively and selectively invested over the period, with 45% invested at the end of September 2018. Investments have been subject to considerable scrutiny from the team and our Panel of Advisors. Even where one of us had prior knowledge of, or had previously been an investor in, a potential investment, due diligence has been undertaken afresh. Since we formed our investment team in December 2017, we have undertaken 77 meetings with 54 companies, including one-on-one meetings with executives, non-executives, site visits and capital markets days.

As is ever the case in a concentrated portfolio, selection of assets is made with careful consideration and we have rejected a large number of potential investments due to a variety of factors. There are others which, whilst being good businesses, we do not believe make good investments at this particular time or at prevailing prices. These have been added to the watch list.

This selective approach does not guarantee 100% success, continued linear outperformance of the comparator market index nor short-term immediate outperformance. However, we strongly believe that it works over the medium to long term.

Portfolio Manager's Report *(continued)*

Initial portfolio

At the end of the period under review, the portfolio comprised nine companies operating in the Technology, Media and Telecoms ("TMT"), Business Services, Industrials, Consumer and Healthcare sectors. Major positions have been made in SDL, Equiniti and Chemring.

We are particularly excited about the medium to long-term prospects for value creation at **SDL**, the global market leader in translation services and technology. The company is emerging from a period of re-organisation and there is considerable scope for operating margins to improve from their current level (high single digit) towards historic levels (high teens). Crucially, the key drivers for this uplift should be within the control of the management team and are not dependent on end markets continuing to grow. We believe there to be no less than 500 basis points of potential gross margin improvement through implementation of their back office resource management tool, replacing existing disparate, manual processes. In addition, the recently appointed finance director is leading a process to improve allocation, analysis and ownership of overhead costs – we believe that substantial savings are possible. In addition, the end markets should exhibit growth well in excess of GDP over the cycle, and we perceive the structural threats to the business from free to use translation engines to be limited. All of this potential does not seem to be reflected in the current Enterprise Value/Sales ratio of less than 1.1x. Prolonged mis-pricing of the company seems unlikely given that there are no poison pills to frustrate a potential acquirer of this highly covetable asset.

Equiniti Group is a company familiar to the investment team. It offers defensive growth characteristics, strong market positions and low individual contract risk. Its technology-enabled services offer significant capital and know-how barriers to entry and it operates in consolidated and stable, regulated markets. Yet the forward Price/Earnings rating of the company has oscillated between a trough of 8.6x and a peak of 19.0x in the three years since its IPO. One of the reasons for this is that considerable change has led to the accounts being somewhat complicated. On balance, we believe that any concerns which have been raised on its accounts are overblown and the recent weak share price presents a sound long-term risk/reward. The business services sector is currently out of favour and, in our view, Equiniti is a higher quality asset than the market is currently giving it credit for. The management team has recently publicly guided to a target to increase operating margins by 600 basis points through increased offshoring and automation. Delivery of this margin improvement, a simplification of the corporate structure and a successful integration of the recently acquired US business have the potential to generate highly attractive returns with limited downside.

Chemring Group is a global market leader in countermeasures and niche electronic systems for the defence market. It achieved historic peak earnings in 2011, which followed a period of strong organic growth, material margin improvement and debt-fuelled M&A. As its main end market declined following the reduction of operations in the Gulf states and Afghanistan, the company became distressed. Asset disposals and an equity raise were needed to strengthen the balance sheet. There was considerable management change. The company now finds itself in a position with a repaired balance sheet and three key drivers of earnings growth: a) end markets for US countermeasures recovering - this part of the group is highly operationally geared; b) roll out of lean manufacturing to improve asset utilisation, working capital and margins - the management team has committed to improving margins by 300 basis points and working capital from 24% to 19% of sales – we see upside to these targets; and c) securing of key new business for their Sensors division, known as the Programmes of Record, "PORs". These are substantial pieces of business to be spread over many years, which are high margin and have the potential to improve the forward earnings visibility and growth for the company.

The investment initially performed well over the period until a fatal incident at its Netton facility on 10 August 2018. Given the volatile nature of the products which it manufactures, this was an investment risk highlighted prior to our initial investment. The incident has necessitated the facility, which represents just under 15% of group sales, closing at a time when utilisation and planned customer deliveries were high. This has led to a short-term fall in earnings. The shares fell materially post the news, but have subsequently recovered well following positive news on material wins for the PORs and revised guidance on the impact of the incident.

Portfolio Manager's Report *(continued)*

Four mid-sized investments have been made in Devro, Wilmington, Volution Group and Benchmark Holdings.

Devro is a global market leader in the development and manufacture of collagen sausage skins. It is the largest or second largest player in all of the geographies it operates in other than China, where it is the fourth largest player. After a period of considerable capital investment, the company is poised to generate substantial free cashflow over the next few years. It is also part-way through implementing an efficiency plan, Devro 100, to improve margins. The shares trade on an attractive forward free cashflow yield and we believe the company is under-researched and under-owned. At the time of purchase, the shares were trading at a very material discount to Viscofan, its Spanish-listed peer. Private equity firms have been active in this niche.

Wilmington is a diverse business to business media group, well known to the investment team. Following changes to the board, the company delivered a moderate profit warning in early July 2018. Having researched the company, we were in a position to be agile and build a modest position at the time of the warning. The company seems to be trading at a meaningful discount to its sum of parts valuation. In the meantime, the free cashflow yield is extremely attractive and more than compensates for the limited organic growth likely in the foreseeable future.

Volution Group is the clear UK market leader in residential extractor fans and associated accessories such as grilles and ducting. It is capex light and enjoys strong margins and return on capital. Since its IPO, it has utilised its balance sheet and strong cashflow to acquire complementary businesses in existing and new geographies. We estimate that 48% of sales are now generated from outside of the UK, compared with c.36% when it undertook its IPO in February 2014. The average return on invested capital from acquisitions is 24%, with significant further M&A potential remaining. Progress in organic sales growth in the UK has been held back by weak demand in their public sector business. Whilst we believe there is cyclical risk in their UK new build business, there is margin upside to mitigate this (there is an ongoing consolidation of two plants in Reading) and we believe that the nature of their business means that demand is not price elastic. It seems modestly rated for the quality of the earnings and long-term growth prospects.

Benchmark Holdings is a global provider of genetics, nutrition and healthcare products to the aquaculture market. It has been built by the acquisition of what we believe to be good quality assets. However, we believe that the current market value is significantly less than the value of the parts. Aquaculture appears to be an attractive long-term acyclical growth market. A new chairman has been appointed and there seems considerable opportunity for improved shareholder returns. The shareholder base is narrow and, despite trading on AIM, it appears to be very under-owned by the usual Inheritance Tax portfolio service investors. Recent M&A speculation has reinforced our view of the attraction of the company.

Outlook

Volatility has dominated the period since the end of September 2018. Highly valued companies have appeared to be first in line to bear the brunt of the sell-off. We anticipate that this volatility will continue to create opportunities for the Company.

For the first time in four years, there is obvious value in UK markets, which appear to be shunned by international investors. Anecdotal evidence suggests that MiFID II is leading to less communication between buy-side and sell-side market participants. We believe that this could be contributing to what we perceive to be increased share price volatility and polarised valuations.

However, value is not ubiquitous, and despite a de-rating of expensive, higher growth AIM momentum stocks, many still appear to trade on considerable premia to takeout multiples. Buying shares in these companies seems to us to offer a limited margin of safety.

Where we are finding pockets of value, the key judgement call is whether companies' earnings projections are realistic. To help mitigate this, we remain focused on finding companies which are generating margins below their peak and potential, but where we believe there is limited downside. These companies should be able to grow profits through management actions, even in circumstances where sales growth may prove challenging.

Portfolio Manager's Report *(continued)*

Liquidity remains patchy, bid offer spreads remain wide and individual share price volatility remains high. There is no evidence to date of material outflows from open-ended funds. As a result, we will need to be patient in building positions and performance of individual stocks and the portfolio in the very short term may be unrepresentative.

Our investment horizon remains three to five years for each investment. We continue to target situations where we think there is a good prospect of attractive annualised returns in normal markets, without too much risk being assumed, and where management actions rather than re-rating alone can deliver good returns.

Stuart Widdowson | Ed Wielechowski
Odyssean Capital LLP

29 November 2018

Portfolio of Investments

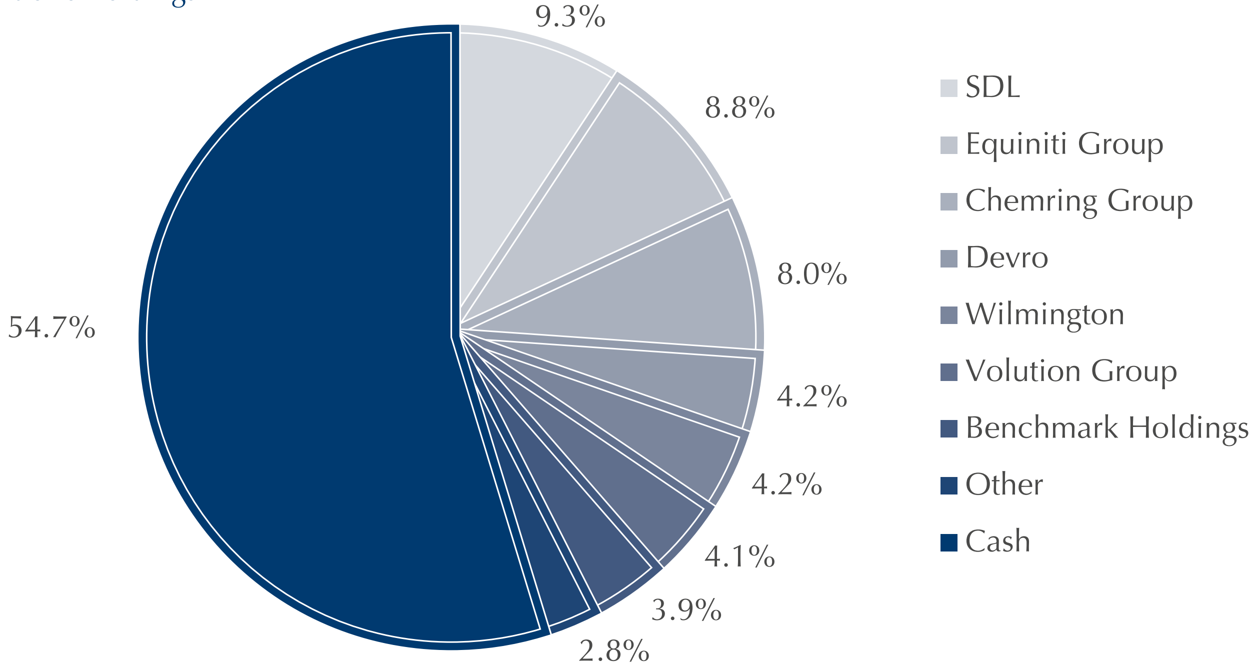
as at 30 September 2018

Company	Sector	Country	Valuation £'000	% of Net Assets
SDL	TMT	United Kingdom	8,193	9.3
Equiniti Group	Business Services	United Kingdom	7,741	8.8
Chemring Group	Industrials	United Kingdom	7,066	8.0
Devro	Consumer	United Kingdom	3,708	4.2
Wilmington	TMT	United Kingdom	3,645	4.2
Volution Group	Industrials	United Kingdom	3,610	4.1
Benchmark Holdings	Healthcare	United Kingdom	3,385	3.9
Other investments			2,495	2.8
Total equity investments			39,843	45.3
Cash and other net current assets			48,132	54.7
Net assets			87,975	100.0

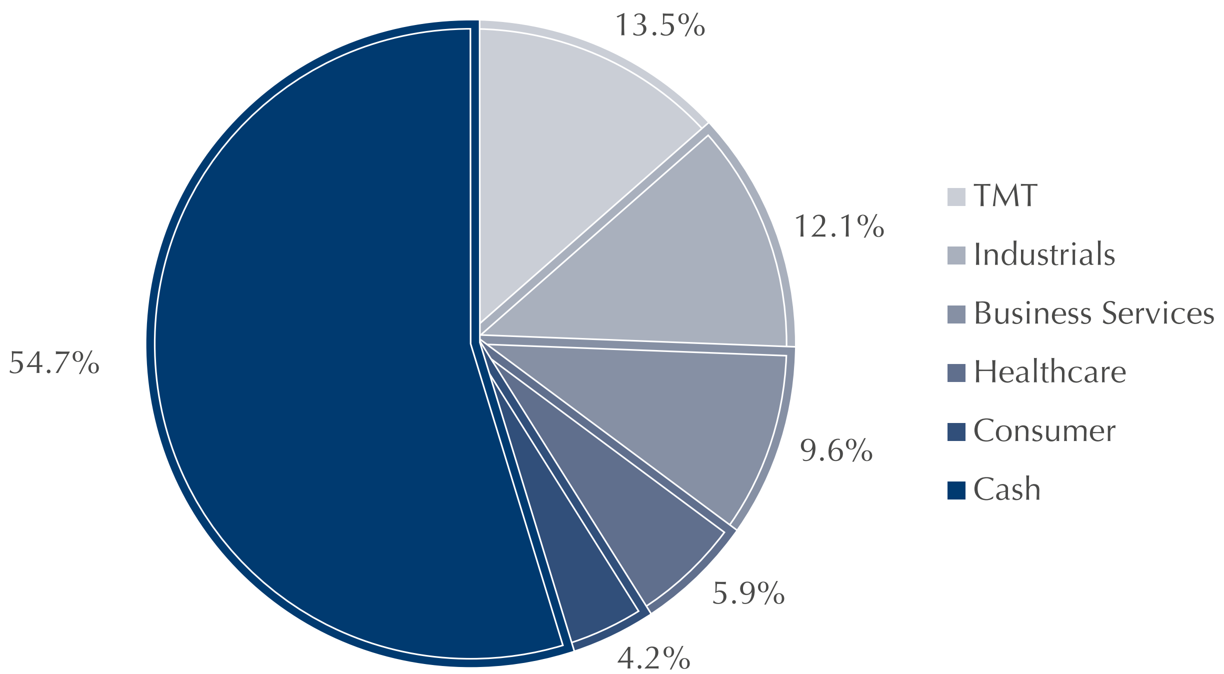
Distribution of Investments

as at 30 September 2018 (% of net assets)

Portfolio holdings



% holding by sector



As at 30 September 2018, the net assets of the Company were £88.0m.

Principal Risks and Uncertainties

The Prospectus issued by the Company in March 2018 includes details of the key risks faced by the Company. This is available on the Company's website: www.oitplc.com.

A summarised list of the principal risks and uncertainties is set out below. The principal financial risks and the Company's policies for managing these risks and the policy and practice with regard to financial instruments are summarised in note 12 to the financial statements.

Risk	How the risk is managed
Investment performance is not comparable to the expectations of investors	
Consistently poor performance could lead to a fall in the share price and a widening of the discount. The success of the Company depends on the Portfolio Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Portfolio Manager to apply its investment processes and identify suitable investments.	The Board reviews and discusses the Company's performance against its investment objective and policy, as well reviewing performance in comparison to industry peers and the broader comparative market. The Board also keeps the performance of the Portfolio Manager under continual review, along with a review of significant stock decisions and the overall rationale for holding the current portfolio. In addition, the Management Engagement Committee conducts an annual appraisal of the Portfolio Manager.
Share price performance	
The market price of the Company's shares, like shares in all investment companies, may fluctuate independently of the net asset value and thus may not reflect the underlying net asset value of the shares. The shares could trade at a discount or premium to net asset value at different times, depending on factors such as market conditions, investors' perceptions of the merits of the Company's objective and investment policy, supply and demand for the shares and the extent investors value the activities of the Company and/or the Portfolio Manager.	The Board monitors the relationship between the share price and the net asset value, including regular review of the level of discount relative to that of companies in the sector. The Company has taken powers to re-purchase shares and will consider doing so to reduce the volatility of any share price discount. The Company has also taken powers to issue shares (only at a premium to net asset value) to provide liquidity to the market to meet investor demand, whether by way of the issue of further ordinary shares or through the issue of C shares. In addition, in the seventh year following the IPO (and every seventh year thereafter), the Board will provide shareholders with an opportunity to realise their shares at the applicable net asset value.

Principal Risks and Uncertainties *(continued)*

Risk	How the risk is managed
Portfolio Manager – loss of personnel or reputation	
The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Portfolio Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Portfolio Manager's ability to strategically recruit, retain and motivate new talented personnel as required. The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective and give rise to a significant public perception risk regarding the potential performance of the Company.	The Board maintains a good level of communication and has a good relationship with the Portfolio Manager, and regularly reviews the Portfolio Manager's performance at Board meetings. The Portfolio Manager's Compliance Officer also reports to the Board regularly and the Portfolio Manager would report to the Board immediately in the event of any change in key personnel.
Material changes within the Portfolio Manager's organisation	
Material changes could occur within the Portfolio Manager's organisation or its affiliates which are to the detriment of the Company's standing in respect of its competitors and its profitability.	The Portfolio Manager has advance notice of any material changes within its organisation and would report to the Board immediately in the event of any such changes, including within its organisation and affiliates or to its key personnel.
Valuation of unquoted investments	
The Company may invest in unquoted companies from time to time. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise.	All financial information is reviewed by the Board at regular meetings. The Portfolio Manager provides a report on the valuation of any unquoted investments at each Board meeting and assurances are sought from the Portfolio Manager as to the basis for any changes in the valuation of any unquoted investments. The Board and/or Chairman of the Audit Committee will approve the valuation of unquoted investments prior to their reflection in the Company's net asset value.
Reliance on the performance of third-party service providers	
The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is reliant upon the performance of third-party service providers for its executive function. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a material adverse effect on the operation of the Company.	The Board has appointed third-party service providers with relevant experience. Each third party service provider is monitored by the Board and their roles are evaluated at least annually by the Management Engagement Committee.

Statement of Directors' Responsibilities

Interim Management Report

The Company was incorporated on 21 December 2017. Its ordinary shares were admitted to trading on the London Stock Exchange on 1 May 2018.

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal factors that could impact the remaining six months of the financial period are set out in the Chairman's Statement and the Portfolio Manager's Report on pages 5 to 12.

The principal risks and uncertainties facing the Company are detailed on pages 15 and 16.

Responsibility statement

The Directors confirm that to the best of their knowledge:

– the condensed set of financial statements has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting', as adopted by the European Union;

– the Interim Report and condensed financial statements give a true and fair view of the assets, liabilities, financial position and return of the Company; and

– the Interim Report and condensed financial statements include a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred since incorporation to 30 September 2018 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 period; and

  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place since incorporation to 30 September 2018 and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions that could do so.

This Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Jane Tufnell
Chairman

29 November 2018

Independent Auditor's Review

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the period ended 30 September 2018 which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Changes in Equity, the Condensed Balance Sheet and the Condensed Cash Flow Statement, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the period ended 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the interim financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the interim financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Jatin Patel
for and on behalf of KPMG LLP
Chartered Accountants

15 Canada Square
Canary Wharf
London E14 5GL

29 November 2018

Condensed Statement of Comprehensive Income

for the period ended 30 September 2018

	Notes	Period ended 30 September 2018 (unaudited) Revenue £'000	Capital £'000	Total £'000
Income	3	107	–	107
Net gains on investments at fair value	9	–	1,767	1,767
Currency exchange losses		–	(1)	(1)
Total income		107	1,766	1,873
Expenses				
Portfolio Management fee	4	(363)	(130)	(493)
Other expenses	5	(212)	–	(212)
Total expenses		(575)	(130)	(705)
Return before taxation		(468)	1,636	1,168
Taxation	6	–	–	–
Return for the period		(468)	1,636	1,168
Basic and diluted earnings per ordinary share (pence)	7	(0.5)	1.8	1.3

The total column of the statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU"). The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

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

The notes on pages 23 to 34 form part of these financial statements.

Condensed Statement of Changes in Equity

for the period ended 30 September 2018

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve* £'000	Capital reserve £'000	Revenue reserve* £'000	Total £'000
Period ended 30 September 2018 (unaudited)							
Opening balance as at 21 December 2017		–	–	–	–	–	–
Gross proceeds of share issue	10	883	87,403	–	–	–	88,286
Share issue costs	10	–	(1,459)	–	–	–	(1,459)
Transfer to special distributable reserve	10	–	(85,495)	85,495	–	–	–
Share premium cancellation costs	10	–	–	(20)	–	–	(20)
Total comprehensive income for the period		–	–	–	1,636	(468)	1,168
As at 30 September 2018		883	449	85,475	1,636	(468)	87,975

* The special distributable and revenue reserves can be distributed in the form of dividends.

The notes on pages 23 to 34 form part of these financial statements.

Condensed Balance Sheet

as at 30 September 2018

	Notes	As at 30 September 2018 (unaudited) £'000
Non-current assets		
Investments at fair value through profit or loss	9	39,843
Current assets		
Trade and other receivables		104
Cash and cash equivalents		48,472
		48,576
Total assets		88,419
Current liabilities		
Trade and other payables		(314)
		(314)
Total assets less current liabilities		88,105
Non-current liabilities		
Performance fee provision		(130)
Net assets		87,975
Represented by:		
Share capital	10	883
Share premium account		449
Special distributable reserve		85,475
Capital reserve		1,636
Revenue reserve		(468)
Total equity attributable to equity holders of the Company		87,975
Basic and diluted net asset value per ordinary share (pence)	8	99.68

The financial statements were approved by the Board of Directors on 29 November 2018 and signed on its behalf by:

Jane Tufnell
Chairman

Company Registered Number: 11121934

The notes on pages 23 to 34 form part of these financial statements.

Condensed Cash Flow Statement

for the period ended 30 September 2018

	Notes	Period ended 30 September 2018 (unaudited) £'000
Cash flows from operating activities		
Investment income received		36
Bank interest received		18
Portfolio Management fee paid		(144)
Other cash payments		(176)
Cash expended from operations	11	(266)
Taxation paid		–
Net cash outflow from operating activities		(266)
Cash flows from investing activities		
Purchases of investments		(38,058)
Net cash outflow from investing activities		(38,058)
Cash flows from financing activities		
Gross proceeds of share issue		88,286
Share issue costs		(1,469)
Share premium cancellation costs		(20)
Net cash inflow from financing activities		86,797
Increase in cash and cash equivalents for the period		48,473
Cash and cash equivalents at the start of the period		–
Revaluation of foreign currency balances		(1)
Cash and cash equivalents at the end of the period		48,472

The notes on pages 23 to 34 form part of these financial statements.

Notes to the Financial Statements

for the period ended 30 September 2018

1. General information

Odyssean Investment Trust PLC is a listed public limited company incorporated in England and Wales. The registered office of the Company is Beaufort House, 51 New North Road, Exeter EX4 4EP.

2. Accounting policies

a) Basis of preparation/statement of compliance

The interim financial information covers the period from incorporation on 21 December 2017 to 30 September 2018 and has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. As this is the first reporting period since the Company was incorporated, no comparative figures have been shown.

This is the first set of the Company's financial statements and IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied.

The Company's annual financial statements for the period to 31 March 2019 will be prepared in conformity with IFRS as adopted by the EU, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and as applied in accordance with the SORP (issued in November 2014, updated in February 2018 with consequential amendments) for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of IFRS. The accounting policies adopted in the preparation of the interim financial statements are the same as will be applied in the forthcoming Annual Report and are summarised below.

The interim financial information contained in this interim report does not constitute full statutory accounts as defined in Section 434 of the Companies Act 2006 (the "Act").

The interim financial information is being sent to shareholders and copies will be made available to the public at the registered office of the Company and on the Company's website: www.oitplc.com.

b) Functional and presentation currency

The condensed financial statements are presented in GBP Sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

c) Measurement basis

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of investments classified at fair value through profit or loss.

d) Going concern

These condensed financial statements have been prepared on a going concern basis. The Directors assessed the going concern of the Company in light of its current trading performance. The Directors looked at the forecasts covering the 18-month period from 30 September 2018 to 31 March 2020 and applied stress tests for adverse scenarios. As a result, it was determined that the Company has sufficient liquidity to cover all anticipated payments during that period. The Directors also considered the regulatory capital of the Company and determined that, based on the latest approved forecasts, the Company will have sufficient regulatory capital for the same 18-month period. At the time of approving the condensed financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

2. Accounting policies *(continued)*

e) Significant accounting policies and application of new and revised IFRSs

A number of new standards and amendments to standards and interpretations are effective for periods beginning on or after 1 April 2019. These new standards are not applicable to these financial statements and they are not expected to have a material impact when they become effective.

The Company plans to apply these standards and amendments in the reporting period in which they become effective.

f) Segmental reporting

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

g) Investments at fair value through profit or loss

All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their return in the form of interest, dividends or increase in fair value. Listed equities, unquoted equities and fixed income securities are classified as fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. Investments are initially recognised at cost, being the fair value of the consideration.

After initial recognition, investments are measured at fair value, with movements in fair value of investments and impairment of investments recognised in the Condensed Statement of Comprehensive Income and allocated to the capital column. For quoted equity shares, fair value is generally determined by reference to quoted market bid prices or closing prices for SETS (the London Stock Exchange's electronic trading service) stocks.

Unquoted investments are valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Their valuation incorporates all factors that market participants would consider in setting a price. The primary valuation techniques employed to value the unquoted investments are earnings multiples, recent transactions and the net asset basis.

h) Trade date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date", i.e. the day that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

i) Dividends paid to shareholders

Dividends to shareholders are recognised as a liability in the period in which they are paid or approved at general meetings and are taken to the Condensed Statement of Changes in Equity. Dividends declared and approved after the Balance Sheet date are not recognised as a liability of the Company at that date.

j) Income

Dividends receivable on quoted equity shares are taken into account on the ex-dividend date. Where no ex-dividend date is quoted, they are brought into account when the Company's right to receive payment is established. Other investment income and interest receivable are included in the financial statements on an accruals basis. Dividends receivable from UK and overseas registered companies are accounted for on a gross basis.

Notes to the Financial Statements *(continued)*

for the period ended 30 September 2018

2. Accounting policies *(continued)*

k) Expenses

All expenses are accounted for on an accruals basis and are allocated wholly to revenue with the exception of performance fees, which are allocated wholly to capital as the fee is payable by reference to the capital performance of the Company, and transaction costs which are also allocated to capital.

l) Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

m) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

n) Trade and other payables

Trade and other payables do not carry any interest and are measured at fair value through profit and loss.

o) Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Corporation tax is recognised in the Condensed Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Condensed Balance Sheet date and any adjustment to tax payable in respect of previous years. The tax effect of different items of expenditure is allocated between revenue and capital on the same basis as the particular item to which it relates, using the Company's marginal method of tax, as applied to those items allocated to revenue, for the accounting period.

Deferred tax is provided, using the liability method, on all temporary differences at the Condensed Balance Sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

p) Share capital and reserves

The share capital represents the nominal value of equity shares.

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

The special distributable reserve was created on 7 August 2018 to create a distributable reserve that shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Act) are able lawfully to be applied.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. In addition, performance fee costs are allocated to the capital reserve. The realised capital reserve can be used for the repurchase of shares.

2. Accounting policies *(continued)*

p) Share capital and reserves *(continued)*
The revenue reserve represents retained profits from the income derived from holding investment assets less the costs associated with running the Company. This reserve can be distributed.

q) Use of estimates and judgements
The preparation of these financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and, therefore, the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty in applying accounting policies that have the most effect on the amounts recognised in the financial statements relates to the determination of fair value of financial instruments with significant unobservable inputs. These are valued in accordance with note 2(g) above.

3. Income

	Period ended 30 September 2018 £'000
Income from investments	
Dividend income	89
Other income	
Bank interest	18
Total income	107

4. Portfolio Management fee

	Period ended 30 September 2018 Revenue £'000	Capital £'000	Total £'000
Management fee	363	–	363
Performance fee provision	–	130	130
	363	130	493

The Company is liable to pay a performance fee depending on the performance of the Company over a three-year period and thereafter a rolling three-year period as set out in the Company's prospectus dated 26 March 2018. Based on the performance of the Company to 30 September 2018, £130,000 has been accrued in the NAV. As at 27 November 2018, being the latest date prior to release, due to the impact of market movements since the period end, the Company has no performance fee provision included in the NAV.

Pursuant to the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled, with effect from Initial Admission, to receive an annual management fee equal to the lower of: (i) 1.0% of the net asset value (calculated before deduction of any accrued but unpaid Management fee and any performance fee) per annum; or (ii) 1.0% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

In addition, the Portfolio Manager will be entitled to a performance fee (the "Performance Fee") in certain circumstances.

The Company's performance is measured over rolling three-year periods ending on 31 March each year (each a "Performance Period"), by comparing the net asset value total return per ordinary share over a Performance Period against the total return performance of the Numis Smaller Companies ex-Investment Trusts plus AIM Index (the "Comparator Index"). The first Performance Period will run from Initial Admission to 31 March 2021.

A Performance Fee is payable if the net asset value per ordinary share at the end of the relevant Performance Period (as adjusted to: (i) add back the aggregate value of any dividends per ordinary share paid (or accounted as paid for the purposes of calculating the net asset value) to shareholders during the relevant Performance Period; and (ii) exclude any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "Net Asset Value Total Return per Share") exceeds both:

(i) (a) the net asset value per ordinary share at Initial Admission, in relation to the first Performance Period; and (b) thereafter the net asset value per ordinary share on the first business day of a Performance Period; in each case as adjusted by the aggregate amount: of (i) the total return on the Comparator Index (expressed as a percentage); and (ii) 1.0% per annum over the relevant Performance Period (the "Target Net Asset Value per Share"); and

(ii) the highest previously recorded net asset value per ordinary share as at the end of the relevant Performance Period in respect of which a Performance Fee was last paid (or the net asset value per ordinary share as at Initial Admission, if no Performance Fee has been paid) (the "High Watermark"),

with any resulting excess amount being known as the "Excess Amount".

4. Portfolio management fee *(continued)*

The Portfolio Manager will be entitled to 10% of the Excess Amount multiplied by the time weighted average number of ordinary shares in issue during the relevant Performance Period to which the calculation date relates. The Performance Fee will accrue daily.

Payment of a Performance Fee that has been earned will be deferred to the extent that the amount payable exceeds 1.75% per annum of the net asset value at the end of the relevant Performance Period (amounts deferred will be payable when, and to the extent that, following any later Performance Period(s) with respect to which a Performance Fee is payable, it is possible to pay the deferred amounts without causing that cap to be exceeded or the relevant net asset value total return per share to fall below both the relevant target net asset value per share and the relevant High Watermark for such Performance Period, with any amount not paid being retained and carried forward).

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee paid or payable shall:

- where as at the relevant calculation date, the ordinary shares are trading at, or at a premium to, the latest published net asset value per ordinary share; be satisfied as to 50% of its value by the issuance of new ordinary shares by the Company to the Portfolio Manager (rounded down to the nearest whole number of ordinary shares) (including the reissue of treasury shares) issued at the latest published net asset value per ordinary share applicable at the date of issuance;

- where as at the relevant calculation date, the ordinary shares are trading at a discount to the latest published net asset value per ordinary share; be satisfied as to 100% of its value in cash and the Portfolio Manager shall, as soon as reasonably practicable following receipt of such payment, use 50% of such Performance Fee payment to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within four months of the date of receipt of such Performance Fee payment,

(in each case “Restricted Shares”).

Each such tranche of Restricted Shares issued to, or acquired by, the Portfolio Manager will be subject to a lock-up undertaking for a period of three years post issuance or acquisition (subject to customary exceptions).

At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant whitewash resolution having been passed in accordance with the Takeover Code, to receive, or acquire, further ordinary shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further ordinary shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

In addition, the Portfolio Manager is entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

The initial term of the Portfolio Management Agreement is three years commencing on the date of Initial Admission (the “Initial Term”). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term.

Notes to the Financial Statements *(continued)*

for the period ended 30 September 2018

5. Other expenses

	Period ended 30 September 2018 £'000
Directors' fees*	31
Administration fee	37
Company Secretarial fee	26
Audit fee	12
Other expenses	106
	212

* Peter Hewitt is not receiving a Director fee in respect of his services to the Company. Arabella Cecil invoices her Director's fee via Gravity Partners Limited. Each of the Directors has agreed to use their applicable Directors' fees (net of applicable taxes) to acquire ordinary shares in the secondary market, subject to regulatory requirements. In relation to any dealings, the Directors will comply with the share dealing code adopted by the Company in accordance with the Market Abuse Regulation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

6. Taxation

The Company has an effective tax rate of 0%. The estimated effective tax rate is 0% as investment gains are exempt from tax owing to the Company's status as an investment trust and there is expected to be an excess of management expenses over taxable income and thus there is no charge for corporation tax.

7. Earnings per ordinary share

	Period ended 30 September 2018		
	Net return £'000	Weighted average ordinary shares*	Basic and diluted earnings per share pence
Revenue	(468)	87,782,374	(0.5)
Capital	1,636	87,782,374	1.8
Total	1,168		1.3

* The Company's weighted average number of ordinary shares for the period has been calculated from 1 May 2018, being the date the initial shares were listed for trading.

Notes to the Financial Statements *(continued)*

for the period ended 30 September 2018

8. Net asset value per ordinary share

The basic net asset value per ordinary share is based on net assets of £87,975,000 and on 88,257,211 ordinary shares, being the number of ordinary shares in issue at the period end.

There is no dilution effect and therefore no difference between the diluted total net assets per ordinary share and the basic total net assets per ordinary share.

9. Investments at fair value through profit or loss

	As at 30 September 2018 £'000
Quoted at fair value	39,843
Investments at fair value through profit or loss	**39,843**

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

– Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

  An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1 if they reflect actual and regularly occurring market transactions on an arms length basis.

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

– Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Notes to the Financial Statements *(continued)*

for the period ended 30 September 2018

9. Investments at fair value through profit or loss *(continued)*

The determination of what constitutes ‘observable’ requires significant judgement by the Company. The Company considers observable data from investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid or closing prices at the close of business on the Condensed Balance Sheet date, without adjustment for transaction costs necessary to realise the asset.

	As at 30 September 2018			
	Total £’000	Level 1 £’000	Level 2 £’000	Level 3 £’000
Quoted at fair value	39,843	39,843	–	–
Total	39,843	39,843	–	–

There were no transfers between levels during the period.

Analysis of investment gains	Period ended 30 September 2018 £’000
Unrealised gains on investments at fair value	1,767
Net gains on investments at fair value	1,767

10. Share capital

	Period ended 30 September 2018	
	Number of Shares	£’000
Issued and fully paid:		
Ordinary shares of 1p:		
Balance at beginning of the period	1	–
Initial share issue	87,457,210	875
Subsequent share issues – block listing	800,000	8
Balance at end of the period	88,257,211	883

The Company was incorporated with 1 ordinary share and 50,000 management shares. The management shares were cancelled on 1 May 2018. As at 30 September 2018, the Company held no management shares.

10. Share capital *(continued)*

The initial placing of 87,457,210 ordinary shares took place on 1 May 2018, raising gross proceeds of £87,457,211. The Company commenced business on 1 May 2018 when the initial ordinary shares were admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market for listed securities.

Following approval of the Court on 8 August 2018, the share premium account cancellation was effective. The share premium account of £85,495,000 at 7 August 2018 was transferred to a special distributable reserve. The issue costs of £1,451,000 relating to the initial and subsequent listings prior to cancellation were offset against the share premium account. At 30 September 2018, the special distributable reserve was £85,475,000 after costs of £20,000 relating to the cancellation.

11. Reconciliation of return before taxation to cash expended from operations

	Period ended 30 September 2018 £'000
Return before taxation	1,168
Gains on investments	(1,767)
Currency exchange losses	1
Increase in trade and other receivables	(94)
Increase in trade and other payables	426
Cash expended from operations	**(266)**

12. Financial instruments

The Company's financial instruments include its investment portfolio, cash balances, trade receivables and trade payables that arise directly from its operations. Adherence to the Company's investment policy is key to managing risk.

The Portfolio Manager monitors the financial risks affecting the Company on an ongoing basis and the Directors regularly receive financial information, which is used to identify and monitor risk. All risks are actively reviewed and monitored by the Board.

The main risks arising from the Company's financial instruments are:

i) market risk, including market price risk, currency risk and interest rate risk;
ii) liquidity risk; and
iii) credit risk.

Notes to the Financial Statements *(continued)*

for the period ended 30 September 2018

12. Financial instruments *(continued)*

(i) Market risk

Market risk is the risk of loss arising from movements in observable market variables. The fair value of future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices.

– Market price risk

The Company is exposed to price risk arising from its investments whose future prices are uncertain. The Company's exposure to market price risk comprises movements in the value of the Company's investments. Detail of its investments can be found in note 9 above and details on how the investments are valued is given in note 2(g) above. A 10% increase in the market value of the Company's investments as at 30 September 2018 would have increased net assets by £3,984,000. An equal change in the opposite direction would have decreased the net assets by an equal and opposite amount.

The Portfolio Manager manages this risk by following the investment objective as set out in the prospectus. The Portfolio Manager assesses the exposure to market price risk when making each investment decision and monitors the overall level of market price risk on the whole investment portfolio on an ongoing basis. The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future.

– Currency risk

Currency risk is the risk that fair values of future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates. The Company does not have any exposure to foreign currency cash balances. It has only one investment value impacted by foreign exchange rates. A 10% increase in the exchange rate as at 30 September 2018 would have decreased net assets by £66,000, whilst a 10% decrease would have increased the net assets by £81,000. Whilst the majority of the investments are UK quoted, many of these investments generate significant income from other currencies. The Portfolio Manager does not hedge underlying portfolio companies.

– Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate movements may potentially affect future cash flows from the level of income receivable on cash deposits.

The Company's bank balances are subject to a variable rate of interest, it does not generate significant income from interest and the Portfolio Manager does not hedge against this. The Company has no gearing and therefore there is limited downside risk from increasing interest costs on borrowings.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. At 30 September 2018, the Company had cash and cash equivalents of £48,472,000.

The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future. The Portfolio Manager will manage the portfolio to maintain sufficient cash balances to meet its obligations or liabilities.

12. Financial instruments *(continued)*

(iii) Credit risk

This is the risk a counterparty of the Company will not meet their obligations to the Company.

The Company does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Company's cash flows, should a default happen. The Company accesses creditworthiness of its debtors from time to time to ensure they are neither past due or impaired.

All the assets of the Company which are traded on a recognised exchange are held by the Company's custodian, RBC Investor Services Trust ("RBC"). All the Company's cash is also held by RBC.

13. Related party transactions

The amounts incurred in respect of Portfolio Management fees during the period to 30 September 2018 was £363,000, of which £219,000 was outstanding at 30 September 2018. The amount accrued in relation to the Performance Fee provision as at 30 September 2018 was £130,000, all of which was outstanding.

The amount incurred in respect of Directors' fees during the period to 30 September 2018 was £31,000, of which £5,000 was outstanding at 30 September 2018.

14. Subsequent events

As at close of business on 27 November 2018, the portfolio consisted of 12 positions. The net cash balance was 40.7%.

Glossary

Discount/premium

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

Net asset value per share

NAV stands for net asset value and represents shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of a company's assets at current market value less its liabilities.

Ongoing charges

Based on total expenses, excluding finance costs and certain non-recurring items for the period or year, and average daily net asset value.

Total return per ordinary share

Total return per ordinary share is the total return for the period expressed as an amount per weighted average ordinary share.

Total assets

Total assets are the sum of both fixed and current assets with no deductions.

NAV total return

NAV total return is the closing NAV per share including any cumulative dividends paid as a percentage over the opening NAV.

Shareholder Information

Investing in the Company

The Company's shares are traded on the London Stock Exchange and can be bought or sold through a stock broker or other financial intermediary. The ticker for the Company is OIT.

Shares are available through savings plans, including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs, which facilitate both regular monthly investments and lump sum investments in the Company's shares. The Company's shares are also available on various investment platforms.

Frequency of NAV publication

The Company's NAV is released daily to the London Stock Exchange and published on the Company's website.

Sources of further information

Copies of the Company's Interim Report, Stock Exchange announcements and further information on the Company can be obtained from its website: www.oitplc.com.

Share register enquiries

The register for the ordinary shares is maintained by Equiniti Limited. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2030. Changes of name and/or address must be notified in writing to the Registrar at the address shown on page 37. You can check your shareholding and find practical help on transferring shares or updating your details at www.shareview.co.uk.

Key dates

Interim results announced	November
Company's year end	31 March
Annual results announced	June
Annual General Meeting	August
Company's half-year end	30 September

Association of Investment Companies

The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies. The AIC can be contacted on 020 7282 5555, enquiries@theaic.co.uk or visit the website: www.theaic.co.uk.

Corporate Information

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Arabella Cecil
Peter Hewitt
Richard King

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