

## INVESTMENT POLICY

The Company invests in securities (including equities, exchange traded funds, equity-related securities, bonds and derivatives) issued by companies, governments and other types of issuers located throughout the World.

## INVESTMENT OBJECTIVE & FOCUS

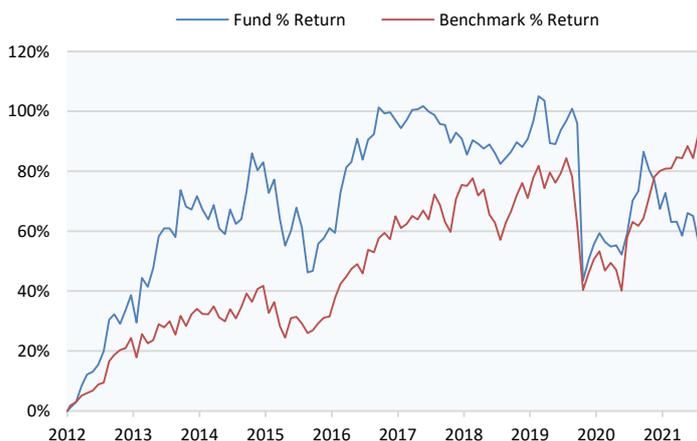
The objective of the Company is to provide investors with a combination of capital growth and income.

Its focus, since October 2020, has been on capital growth to increase the Company's NAV and share price by investing in innovative and disruptive companies, primarily in the Technology sector.

## KEY INFORMATION

<b>Investment Manager</b>	Blue Planet Investment Management Ltd		
<b>Gross Assets</b>	£19.6m		
<b>Base Currency</b>	Sterling		
<b>AIC Sector</b>	Global		
<b>AGM Date</b>	2nd September 2021		
<b>Continuation Vote</b>	AGM, 2024		
<b>Dividend Yield (Historic)</b>	2.3%		
<b>Last Annual Payment</b>	0.52p – paid on 06.09.2021		
<b>Month End Gearing</b>	36%		
<b>ISIN</b>	GB0005327076	<b>LSE Code</b>	BLP

## TOTAL RETURN PERFORMANCE



\*Benchmark Index - An index of top 100 UK companies on a total return basis

## CUMULATIVE PERFORMANCE

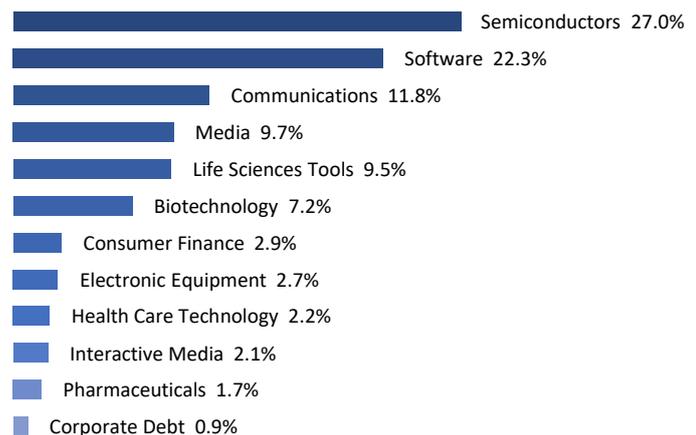
	Current (p)	1 month	3 months	6 months	1 year	3 years	5 years
<b>NAV + Dividend</b>	28.65	-10.1%	-1.4%	-16.6%	-14.5%	-21.2%	-21.4%
<b>Share Price + Dividend</b>	21.00	-8.7%	-13.9%	-17.2%	2.5%	-25.3%	-10.9%
<b>An index of top 100 UK Companies</b>		4.8%	4.7%	6.8%	18.4%	22.9%	25.6%
<b>Discount / + Premium (%)</b>	-26.7%	-27.8%	-15.5%	-25.6%	-38.4%	-18.3%	-27.4%

Source: Blue Planet, share price bid to bid, net income reinvested.

## TOP 20 HOLDINGS

Company	% of Portfolio
DigitalOcean Holdings Inc	4.7%
Advanced Micro Devices Inc	4.1%
Dynatrace Inc	4.1%
Qualcomm Inc	4.1%
PubMatic Inc	4.0%
Lam Research Corporation	3.9%
Repligen Corporation	3.9%
F5 Networks Inc	3.9%
Arista Networks Inc	3.9%
Teradyne Inc	3.7%
Nokia Oyj	3.7%
Applied Materials Inc	3.6%
Micron Technology Inc	3.6%
Digital Turbine Inc	3.1%
Taiwan Semiconductor ADR	3.1%
Matterport Inc	3.0%
Mogo Inc	2.8%
ProQR Therapeutics NV	2.8%
Palantir Technologies Inc	2.7%
Keysight Technologies Inc	2.6%

## INDUSTRY BREAKDOWN (%)



## INVESTMENT MANAGER'S REVIEW

The Trust's NAV total return for December 2021 was -10.1% and we ended the month with an NAV of 28.65p per share. Our share price (bid) fell from 23.00p per share to 21.00p.

The large jump in market volatility that occurred in the final week of November continued into December, as the market reacted to the Federal Reserve's decision to taper their quantitative easing programme and hike interest rates. Typically when this happens, stock markets tend to fall as investors reduce risk exposures and factor in the possible outcomes and effects on asset prices. We believe this is a short-term negative reaction and ultimately, markets will resume their trajectory higher after this period of uncertainty. We are long term investors and believe in the investments we have. As long as those companies continue to grow their share prices will follow suit.

For a broader look at the markets over the month, the safety of value stocks, ie. mature companies with low or no growth but large profits and therefore low price-to-earnings ratios, performed better than higher risk, higher valued growth companies that are valued on their future earnings. The FTSE 100, largely a value index given its weighting in financials and energy companies, performed well, returning +4.8%, helped by oil's +12.9% rise during the month. In the US, the S&P 500 Index rose +4.4% and the tech-heavy Nasdaq 100 rose +1.1%. These index movements can and have masked the performance of specific strategies, including our own and growth focused funds such as the ARK Innovation ETF and Scottish Mortgage Investment Trust plc which fell 10.5% and 10.2% respectively during the month.

Our best performing investments during the month were Revance Therapeutics (+19.2%), Arista Networks (+15.9%), Digital Turbine (+15.1%), ProQR Therapeutics (+14.1%), Nokia (+11.1%) and Micron Technology (+10.9%). Six of our investments fell 20% or more. The worst of which was Cleanspark Inc which fell -46.4%. Given that the company reported on the 14th December that fourth quarter revenues rose nearly 1,300% year-on-year and full year revenues were \$49.4m, a rise of 400% year-on-year this looks unjustified. Such irrational moves are, however, symptomatic of what happens when markets get gripped by fear and the stock should recover once that passes. C3.ai also reported earnings during the month. Its second-quarter revenue rose 41% year-on-year to \$58.3m and CEO Thomas Siebel raised full-year revenue guidance, saying he now expects sales to be between \$248m-250m. The third company to report was Micron Technology. It reported that revenue grew 33% year-on-year in Q1 2022 and that earnings per share rose 187% to \$2.04c. Projecting this forward the stock currently trades on a PER of about 11. Cheap by any standards but especially so for a company that is growing so quickly and with such good future prospects.

As we mentioned in our last monthly factsheet, equity markets will continue to be volatile as markets fret about inflation, interest rates, Covid and other matters. This is a time of great uncertainty brought about by central banks mismanagement of monetary policy and short-term price movements can be difficult to understand and unsettling. Things will, however, eventually settle down and our longer-term investment time horizon essentially means we can ignore the short-term noise in the markets and focus on the companies we are invested in and their earnings reports. There were no changes to the portfolio during December, however with every earnings report comes new information, and it is gratifying that the companies we are invested in continue to grow rapidly. 2021 has been a difficult year for innovative growth focused strategies, the flagship of which, ARK Innovation ETF is down almost 50% from its peak in February 2021, but ultimately investing in the future has always been a lucrative strategy. The quarterly earnings season kicks off in earnest in January and we expect more of the companies we are invested in to report strong growth which should, once markets settle down, attract buyers to them. The best place to be invested in times of inflation is in companies whose services and products are in high demand as they are most able to pass price increases onto their customers and preserve their profit margins. In other words, the type of companies we are invested in.

It is also curious to see investors, fearful of rising interest rates, reallocating capital into some of the most heavily indebted sectors of the market notably oils, utilities, automotive, hospitality and financials, which are the ones that will be most adversely impacted by rising interest rates. In addition, many of these sectors are in long term decline and they will have to contend with declining revenues at the same time as their costs are rising. Short term rises in oil and gas prices and in the case of banks, rising interest rates, will boost their profits in the short term but longer term their prospects do not look good. April 2020 revealed the true price of oil in a free market. It is at most a few dollars per barrel and we may yet see that again as OPEC plus' ability to rig the price weakens as demand falls away. As to the banking and financial sectors, rising interest rates are a double edged sword. Initially they boost profits but as they rise so too do bad debts and if they go too far then a banking crisis follows. The world has never been more indebted and the risks faced by the financial sector have never been greater. They far exceed those of 2007/8 which brought the world's financial sector to the brink of collapse. We prefer to invest in the companies that are growing rapidly and will dominate our economies in the future, not those that dominated them in the past and that are now in terminal decline.

### BOARD OF DIRECTORS

<b>Mr Russell Frith</b>	Chairman
<b>Ms Victoria Killay</b>	Non-Executive
<b>Mr Kenneth Murray</b>	Non-Executive

### DIRECTOR'S SHAREHOLDING, INCLUDING BENEFICIAL INTERESTS

<b>Number of Shares</b>	14,442,738
<b>% Holding of Trust</b>	29.19%

### REGISTRARS

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LEEDS, LS1 4DL**

**SHAREHOLDER HELPLINE TEL 0371 664 0300\***

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\*calls charged at the standard geographic rate and vary by provider, lines are open 9am-5.30pm Mon-Fri

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