



CALEDONIA INVESTMENTS

31 October 2018

Share price: 2745p

NAV/share: 3524p

Discount: 22.1%

About Caledonia

Caledonia is a self-managed investment trust company with net assets of £2.0bn. Our aim is to grow net assets and dividends paid to shareholders, whilst managing risk to avoid permanent loss of capital. We achieve this by investing in proven well-managed businesses that combine long term growth characteristics with an ability to deliver increasing levels of income. Our investments cover both listed and private markets in broadly equal proportions, a range of sectors and, in particular through our fund investments, a global reach.

Review

Our year to date NAV total return was 8.6%. During the month, we invested £119.7m and realised £106.2m.

Investments included £117.2m for a 98.9% equity stake in Deep Sea Electronics ('DSE'), the UK manufacturer of electronic control modules for industrial applications. We also provided a £50.0m of short term bridging loan to DSE.

Realisations included the sale of our investment in Choice Care Group for £99.4m, including pre-sale preference and ordinary dividends totalling £7.1m. The investment returned a 1.9x money multiple and an IRR of 14.3% over the five years of our ownership.

During the month, we drew on our bank facilities and, at the end of the month, had net debt totalling £5.4m.

Ten largest holdings

Name	Business	Oct 2018 £m	Sep 2018 £m
Deep Sea Electronics	Control systems	167.2	
Seven Investment Management	Investment management	121.1	121.1
Cobehold	Investment company	105.0	105.4
Cooke Optics	Cine lens manufacturer	92.6	92.6
Buzz Bingo	Bingo operator	89.1	89.1
Liberation Group	Pubs and restaurants	82.0	81.5
Aberdeen US PE funds	Funds of PE funds	76.8	68.9
Arlington AVM Ranger fund	Quoted market fund	53.2	52.1
AG Barr	Soft drinks	41.3	39.7
Asia Alternatives PE funds	Funds of PE funds	40.8	31.3
		869.1	681.7
Other pool investments		1,072.8	1,193.6
Cash and other items		35.6	112.5
Net assets		1,977.5	1,987.8

	7 mth Oct 2018	6 mths Sep 2018
NAV total return (note 1)	8.6%	9.2%

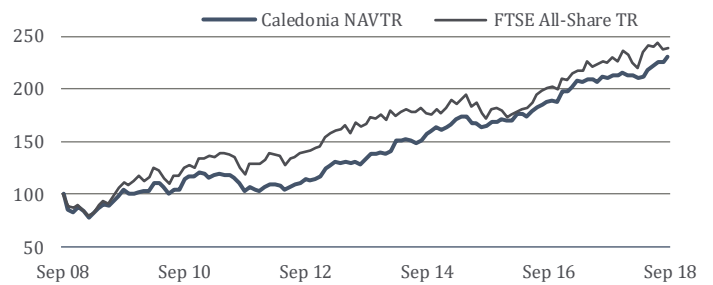
1. Caledonia reviews the valuation of its unquoted investments biannually, in March and September.

Caledonia Investments plc

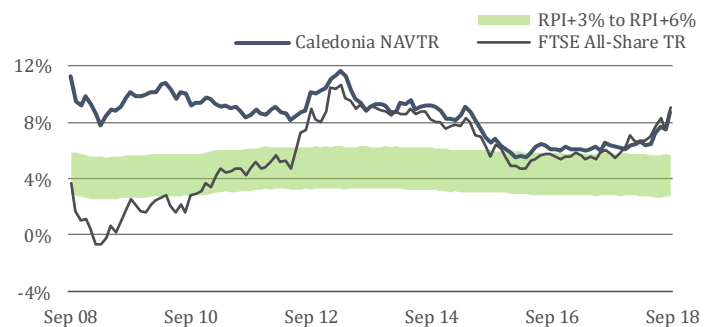
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The price of shares and the income from them may go down as well as up. Past performance is no indication of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments.

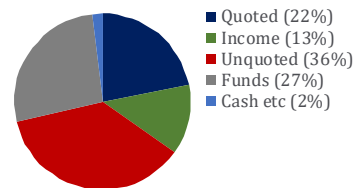
NAV total return index ten years



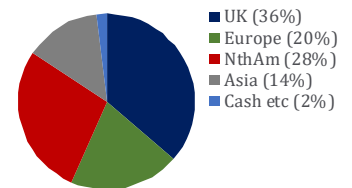
Annualised ten year rolling performance



Pool allocation



Geographic allocation



Performance to 30 September 2018

	6 mths %	1 year %	3 years %	5 years %	10 years %
NAV total return	9.2	9.3	39.5	72.8	130.1
<i>Annualised</i>					
NAV total return		9.3	11.7	11.6	8.7
Retail Prices Index		3.3	3.1	2.4	2.7
Performance against RPI		6.0	8.6	9.2	6.0
FTSE All-Share Total Return				7.5	9.1
Performance against FTSE				4.1	(0.4)

1. NAV is calculated on a diluted, cum-income basis.

2. The performance record is updated biannually, concurrent with the revaluation of unquoted investments and funds. Pool and geographic allocation charts are updated monthly.

Investor information

Sector: Global
 Fund type: Investment Trust
 Listing: London Stock Exchange (SEDOL 0163992, TIDM CLDN)
 Investing: Direct, Caledonia Savings Scheme and ISA
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