



CALEDONIA INVESTMENTS

30 June 2014

Share price: 2225p

NAV/share: 2593p

Discount: 14.2%

About Caledonia

Caledonia is a self-managed investment trust, with net assets of £1.4bn. We invest in well-managed, long term businesses and funds, both listed and private, in a range of sectors and regions. We have a long term investment horizon – often over ten years – and a predominantly value investment style.

We focus on established businesses, where return on capital employed is a differentiator of longer term performance and where underlying real assets provide risk mitigation to the balance sheet.

We aim to be a core investment for those seeking capital growth coupled to an increasing income stream over the long term.

Review

During the month, we invested £4.2m and realised £8.7m. Investments comprised principally fund drawdowns, including an initial drawdown against our \$15m commitment to Vision Knight Capital (China) Fund II, a Shanghai-based private equity fund focusing on investments in internet, e-commerce and B2B services empowered by IT and internet technologies in China. Realisations comprised principally partial realisations through the Quoted pool.

At the end of the month, our net cash was £70.8m, net of £20.0m drawn against our facilities.

During the month, the company announced a potential increase in NAV of £46m, representing 83p per share, to provide an indication of the level of value of its look-through interest in JD.com, which was the subject of a recent IPO. JD.com, an online direct sales company, is one of the investments held within the Capital Today China Growth Fund LP ('CTC Fund'), in which Caledonia is a limited partner. We will revise the valuation of the CTC Fund in our NAV at the half-year, in line with our policy for valuing externally managed funds.

Ten largest holdings

Name	Business	£m	%
Cobehold	Investment company	97.1	6.7
Park Holidays	Caravan parks operator	81.3	5.6
Bristow Group	Helicopter services	77.5	5.4
AG Barr	Soft drinks	60.1	4.1
Close Brothers	Financial services	58.4	4.0
Choice Care	Care homes provider	50.2	3.5
Sloane Club	Residential club	43.8	3.0
Capital Today China	Private equity fund	41.8	2.9
Polar Capital	Fund management	40.6	2.8
Avanti Communications	Satellite communications	38.6	2.7
		589.4	40.7
Other investments		791.9	54.7
Cash and other items		67.1	4.6
Net assets		1,448.4	100.0

1. Caledonia held an investment in the following investment trust company: Polar Capital Global Financials Trust (£10.6m).

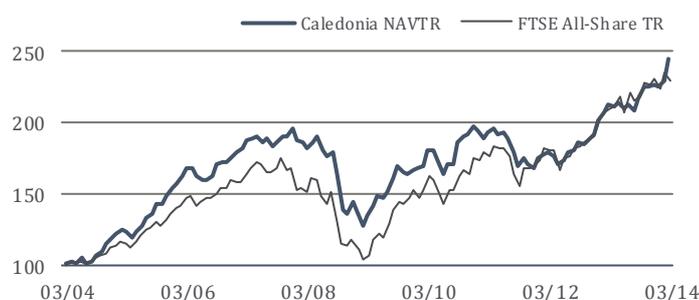
Caledonia Investments plc

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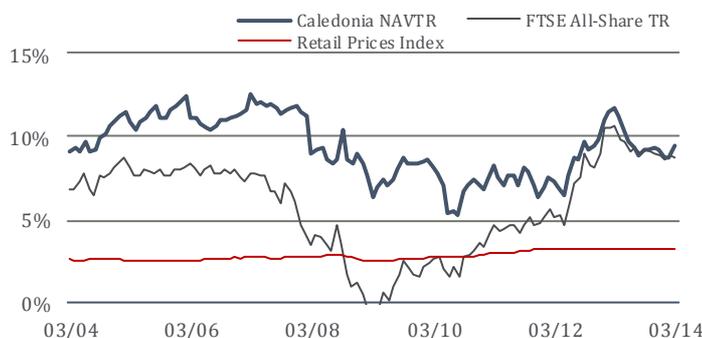
Caledonia reviews the valuation of its unquoted investments biannually, in March and September.

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.

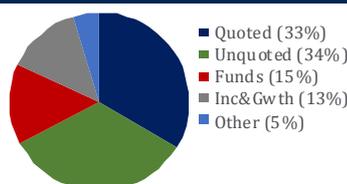
NAV total return performance ten years



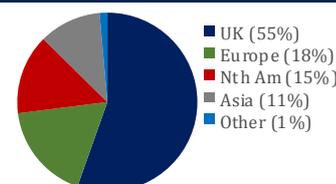
Annualised ten year rolling performance



Pool allocation



Geographic allocation



Performance to 31 March 2014 (%)

	1 year	3 year	5 years	10 years
NAV total return (cumulative)	14.9	27.4	83.6	146.0
NAV total return (annualised)	14.9	8.4	12.9	9.4
Retail Prices Index	2.5	3.1	3.8	3.3
Outperformance against RPI	12.4	5.3	9.1	6.1
FTSE All-Share Total Return (annualised)				8.6
Outperformance against FTSE				0.8

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

2. Source: Caledonia and FTSE.

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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