

MERIAN CHRYSALIS

INVESTMENT COMPANY LIMITED

AS AT 31 MARCH 2020



INVESTMENT OPPORTUNITY

Aims to provide access to returns available from investing in later stage private companies with long-term growth potential, an investment class that has traditionally been difficult to access for individual investors.

KEY FACTS (AS AT 31 MARCH 2020)

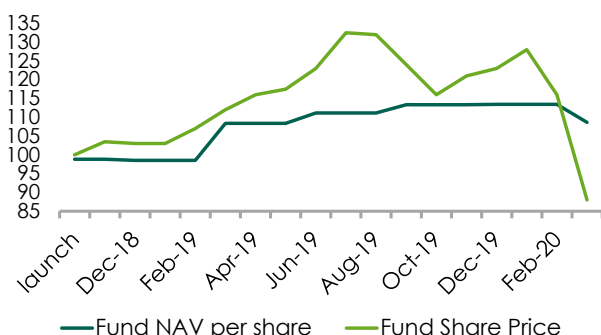
Shares in Issue	336,742,424
Share Price	88.00p
NAV per share	108.65p
Market Cap	£296m
Total Net Assets	£367m
Share Price Premium/(Discount)	-23.5%
Listing	Premium Segment Main Market LSE
Ticker	MERI
LEI	213800F9SQ753JQHSW24
ISIN	GG00BGJYPP46
Incorporation	Guernsey

PORTFOLIO MANAGERS



RICHARD WATTS, NICK WILLIAMSON
PORTFOLIO MANAGERS

NAV AND SHARE PRICE



CUMULATIVE PERFORMANCE (%)

	3 month	6 month	SI
Fund NAV	-4.2	-4.1	9.9
Fund Share Price	-28.5	-29.0	-12.0

Past performance is not a guide to future performance. The Company NAV per share is calculated on a quarterly basis. The Share Price is available daily, source London Stock Exchange. Since inception (SI) is from 6 Nov 2018.



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Merian Global Investors (MGI) has the scale, expertise and relevance to be a crossover investor.



To generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity-related investments in unquoted companies.



The company is advised by MGI's award-winning UK small- and mid-cap desk, which manages £4.7bn.

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OVERVIEW

The Investment Adviser is pleased with the performance of the portfolio and its portfolio assets against a difficult backdrop which was impacted by COVID-19. The NAV of the fund fell by c4%, a resilient performance given the decline in equity markets over the period and the derating of comparable listed companies.

Merian Chrysalis was extremely well capitalised entering the period. This position enabled the fund to take the opportunity to invest in Featurespace post period-end, which is an asset we have been tracking for over a year, while preserving the flexibility to support existing portfolio assets across a range of probable COVID-19 related trading scenarios.

PORTFOLIO COMMENTARY

Following a number of follow-on investments through Q4 2019, the company entered the period with £107m of cash and cash equivalents. During the quarter the company made follow-on investments in both Graphcore (US\$25m in January) and Starling Bank (February). The implied closing cash position at the end of the quarter was c£69m.* Post period end, the previously announced £12.2m follow-on investment in Embark completed, following regulatory approval, and a £20m new investment in Featurespace was made, which takes the total number of assets within Merian Chrysalis to 11. Featurespace provides financial institutions with a real-time machine learning fraud management software solution. This broadens the portfolio's thematic exposure, which was our aim at the time of IPO.

*This figure is post an adjustment for the previously announced follow-on investment in Embark.

Highlights include:

- Transferwise introduced GBP and EUR Direct Debits and announced a partnership with ActivoBank, the digital arm of Millennium BCP, the first Portuguese bank to partner with them.
- Starling Bank raised £60m from existing investors. Customer numbers have surpassed 1.25m and customer deposits are in excess of £1.2bn. Post the period-end the bank was accredited for both the CBIL and BBL schemes.
- Graphcore successfully raised US\$150m as part of a Series D-2 funding round. The company also released a further performance tests showing strong IPU performance.
- The Hut Group saw a surge in demand for its health, beauty and nutrition products. Ingenuity is also gaining traction and the company announced the signing of a major contract with Nestle.
- Embark complete its acquisition of Zurich's investment and retail platforms; this increased the Group's AuA to over £33bn.

OUTLOOK

Merian Chrysalis Investment Company has actively targeted companies that are, or have the ability to become, tech-enabled disrupters. These types of assets fit our goals of looking to invest in companies that can grow strongly, for a prolonged period of time. Given this cadre of businesses are typically online in nature, the recent pandemic has accelerated a shift towards these types of business models. As a result, the majority of the assets within the portfolio performed robustly versus our expectations through Q1 and this is highly encouraging. We are delighted to have made a fantastic addition to the Merian Chrysalis portfolio, in the form of Featurespace, post the period end and this demonstrates the team's ability to execute deal flow in a range of market environments. The portfolio is well positioned both strategically and thematically to benefit from digitisation and accelerated channel shift and we are confident we can deliver attractive returns for our shareholders over the remainder of the year.

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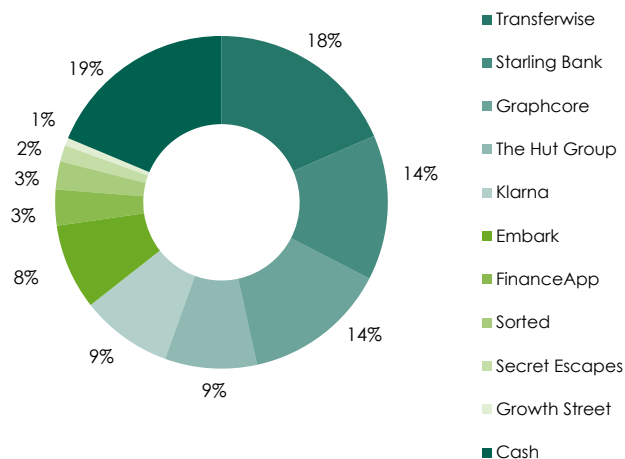
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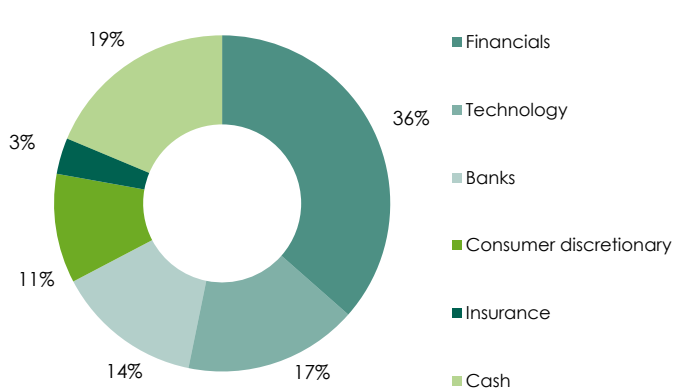
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TOP HOLDINGS



SECTOR EXPOSURE



HOLDINGS DETAILS (AS AT 31 MARCH 2020)

Name	Description
TransferWise	Platform payments business that aims to reduce fees associated with FX
Secret Escapes	Travel company that helps hotels minimise unsold inventory
The Hut Group	E-commerce business with proprietary technology platform powering sales of its own and third-party brands online
Graphcore	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain
Growth Street	Innovative P2P lending product targeted at SMEs, replacing overdrafts and invoice factoring
Starling Bank	Digital challenger bank that delivers financial services to retail and SMEs
Embark Group	Full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities
Klarna Bank	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
Sorted Group	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery and returns
FinanceApp (wefox Group)	Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland

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COMPANY AND FUND INFORMATION

Listing Date	06-Nov-18
AIFM	Maitland Institutional Services Limited
Administrator & Company Secretary	Maitland Administration (Guernsey) Limited Computershare Investor Services (Guernsey) Limited
Registrar	Travers Smith LLP
Legal Adviser	KPMG LLP
Auditor	Liberum Capital Limited
Corporate Broker	Merian Global Investors (UK) Limited
Investment Adviser	

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Guernsey, GY1 1WD

FOR FURTHER INFORMATION
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DIRECTORS

Andrew Haining (Chairperson)
Stephen Coe Simon Holden
Anne Ewing Tim Cruttenden

IMPORTANT INFORMATION

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