

Mobius

— INVESTMENT TRUST —

INTERIM REPORT FOR THE PERIOD FROM INCORPORATION ON
7 AUGUST 2018 TO 31 MAY 2019

CONTENTS

About your Company

- 2 Chairman's Statement
- 4 Investment Objective and Policy
- 7 Portfolio
- 8 Investment Managers' Review

Condensed Financial Statements

- 12 Income Statement
- 13 Statement of Changes in Equity
- 14 Statement of Financial Position
- 15 Notes to the Financial Statements

Corporate Governance

- 22 Interim Management Report
- 23 Principal Risks and Uncertainties

Further Information

- 25 Directors and Other Information
- 26 Glossary and Alternative Performance Measurement
- 27 How to Invest
- 29 Warning to Shareholders

aic

The Association of
Investment Companies

A member of the Association of Investment Companies

CHAIRMAN'S STATEMENT



Introduction

I am delighted to present the inaugural Mobius Investment Trust plc's (the "Company's", "MMIT's") Interim Report, following the successful flotation on the London Stock Exchange on 1 October 2018. The Board wants to thank all shareholders for their support during the IPO and throughout MMIT's first few months as a listed entity. Over this reasonably short period, there have been a number of notable economic and political events which have increased uncertainty and re-introduced the concept of volatility to the market. Despite these wider fluctuations, MMIT's share price has remained stable and the stock continues to trade at a premium to net asset value ('NAV'), which the Board believe reflects a knowledgeable and diverse shareholder base.

This report covers the period from incorporation on 7 August 2018 to 31 May 2019.

Performance

Over the period to 31 May 2019, the Company's NAV per share decreased by 3.9%, closing at 94.2p on 31 May 2019. The share price total return since IPO was -5.1%, closing at 94.9p on

31 May 2019. As described in the launch prospectus, the portfolio of investments held by the Company will not mirror the stocks and weightings that constitute any particular index or indices. However, by way of comparison, the MSCI Emerging Markets Index (sterling adjusted) fell by 1.6% over the same period while the MSCI Frontier Markets Index (sterling adjusted) rose by 5.2%.

In view of market volatility over the period, the Investment Manager has taken a cautious approach to investing the initial launch proceeds with 76.5% allocated as at 31 May 2019. At that date, the portfolio comprised 20 holdings across 11 countries. A comprehensive review of the factors affecting the Company's performance during the period can be found in the Investment Managers' Review on page 8.

Share Capital

The Company raised £100 million at its launch on 1 October 2018, with 100 million ordinary shares in issue at the time. It is pleasing to note that since launch the Company's shares have traded at an average premium to NAV per share of 0.27%. In order to satisfy additional demand in the market, 3,400,000 new ordinary shares were issued up to 31 May 2019. Since then, a further 1,600,000 new ordinary shares have been issued. All new shares have been issued at a price representing a premium to NAV per share.

Issuing new shares at a premium to NAV is accretive to existing shareholders. It improves liquidity, spreads the operating costs over a larger capital base, reduces the ongoing charges ratio and controls the premium to NAV per share thereby ensuring the price available is representative of the underlying assets.

CHAIRMAN'S STATEMENT continued

Gearing

The Company is in the process of establishing a £20 million gearing facility. Once in place, this will only be utilised when the Investment Manager believes it is fully accretive to the Company's performance, and market conditions are optimal to capture value by increasing the number of investment ideas within the portfolio.

Outlook

The Investment Manager is well positioned to take advantage of the diverse range of opportunities currently available across emerging and frontier markets. The Board is supportive of its disciplined investment style, which consists of a diligent research process supported by ongoing engagement with stakeholders throughout the lifecycle of the investment. The focus on environmental, social and governance ('ESG') principles, most notably corporate governance, remains at the core of the Company's investment objectives and the Board praises the Investment Manager for its consistent work in screening, valuing and appraising the portfolio companies' standards. In volatile markets, the Board believes that such approach should provide positive returns for the long-term investor.

Maria Luisa Cicognani

Chairman

24 July 2019

INVESTMENT OBJECTIVE AND POLICY

Investment Objective

The Company's investment objective is to achieve long-term capital growth and income returns predominantly through investment in a diversified portfolio of companies exposed directly or indirectly to emerging or frontier markets.

Investment Policy

Asset allocation

The Company will seek to meet its investment objective by investing in a diversified portfolio of companies exposed directly or indirectly to emerging or frontier markets. The Company will invest predominantly in:

- companies incorporated in and/or traded on stock exchanges located in emerging or frontier markets; or
- companies which have the majority of their operations, or earn a significant amount of their revenues in, emerging or frontier markets but are traded on stock exchanges located in developed countries.

The Company will focus on small to mid-cap companies. The Company may invest in pre-IPO and unlisted companies subject to the investment restrictions detailed below.

In pursuing its investment objective, the Company may:

- invest in equity or equity related securities (including preference shares, convertible unsecured loan stock, warrants and other similar securities);
- hedge against directional risk using index futures and/or cash;

- hold bonds and warrants on transferable securities;
- utilise options and futures for hedging purposes and for efficient portfolio management;
- enter into contracts for differences;
- hold participation notes;
- use forward currency contracts; and
- hold liquid assets.

Notwithstanding the above, the Company does not intend to utilise derivatives or other financial instruments to take short positions, nor to increase the Company's leverage in excess of the limit set out in the borrowing policy.

The Company will not seek to track or mirror any index or benchmark and, accordingly, the Company may frequently be overweight or underweight in certain investments, or may be concentrated in a more limited number of sectors, geographical areas or countries, when compared with a particular index or benchmark.

The Company will focus on companies that have:

- a resilient business model and sound management;
- the possibility for operational and environmental, social and governance ("ESG") improvements;
- the potential to improve competitive advantages and cash flow generation; and
- stakeholders that are open to, and have an interest in, positive change.

INVESTMENT OBJECTIVE AND POLICY continued

The Company will, through its Investment Manager, seek to unlock value in investee companies by actively partnering with investee companies through a governance-oriented approach, seeking to act as a catalyst for broader ESG improvements.

The Company does not expect to take controlling interests in investee companies.

The Company will seek to provide shareholders with exposure to a portfolio which is appropriately diversified by geography and sector to achieve an appropriate balance of risk over the long term. Once fully invested, it is expected that the Company's portfolio will comprise approximately 20 to 30 investments. The Company will at all times invest and manage its assets in a manner which is consistent with the objective of spreading and mitigating investment risk.

Investment restrictions

The Company will observe the following investment restrictions, each calculated at the time of investment:

- no more than 10 per cent. of Gross Assets will be invested in a single company;
- no more than 35 per cent. of Gross Assets will be invested in companies incorporated in or traded on an exchange in or otherwise primarily exposed to a single emerging or frontier market; and
- no more than 15 per cent. of Gross Assets will be invested in companies that are not traded on a stock exchange.

In compliance with the UK Listing Rules, no more than 10 per cent., in aggregate, of Gross Assets

may be invested in other investment companies which are listed on the Official List.

Borrowing policy

The Company may deploy leverage of up to 20 per cent. of Net Asset Value (calculated at the time of borrowing) to seek to enhance long-term capital growth and income returns and for the purpose of capital flexibility. The Company's leverage is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the Board may determine.

Notwithstanding the above, the Company does not intend to utilise derivatives or other financial instruments to take short positions, nor to increase the Company's leverage in excess of the limit set out in the borrowing policy.

Hedging

The Company's reporting currency and share price quotation is sterling. However, the Company will make investments denominated in currencies other than Sterling. In addition, the majority of the income from the Company's investments is expected to be generated in currencies other than Sterling.

The Company does not currently intend to hedge currency risk in respect of the capital value of its portfolio or in respect of its Sterling distributions. However, the Company will review its hedging strategy on a regular basis. The Company will not engage in currency trading for speculative purposes.

Cash management

Whilst it is the intention of the Company to be fully or near fully invested in normal market

INVESTMENT OBJECTIVE AND POLICY continued

conditions, the Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds and tradeable debt securities ("Cash and Cash Equivalents").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash or cash equivalent position instead of being fully or near fully invested.

Changes to the investment policy

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

In the event of a breach of the investment policy set out above and the investment and leverage restrictions set out therein, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

PORTFOLIO

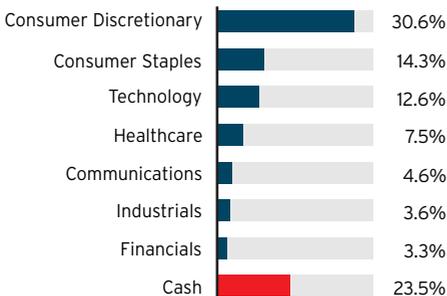
as at 31 May 2019

| Investments | Country | Fair value £'000 | % of net assets |
|---------------------------------|-------------------------|---------------------|--------------------|
| Hugel | South Korea | 5,640 | 5.8 |
| Yum China | China | 5,449 | 5.6 |
| eMemory Technology | Taiwan | 5,167 | 5.3 |
| Lojas Americanas | Brazil | 4,801 | 4.9 |
| Eurocash | Poland | 4,772 | 4.9 |
| Grupo Lala S.A.B de C.V. | Mexico | 4,700 | 4.8 |
| Persistent Systems | India | 4,522 | 4.7 |
| Mail.Ru | Russia | 4,493 | 4.6 |
| Kroton Educacional | Brazil | 4,232 | 4.3 |
| IMAX China Holdings | China | 4,047 | 4.2 |
| Mavi Giyim Sanayi Ve Ticaret | Turkey | 3,558 | 3.7 |
| APL Apollo | India | 3,511 | 3.6 |
| Magma Fincorp | India | 3,243 | 3.3 |
| CCC | Poland | 3,233 | 3.3 |
| Oriflame Holding | Global Emerging Markets | 2,993 | 3.1 |
| Goodbaby International Holdings | China | 2,840 | 2.9 |
| Cafe24 | South Korea | 2,630 | 2.7 |
| Matahari Department Store | Indonesia | 1,678 | 1.7 |
| Rayence Inc. | South Korea | 1,604 | 1.6 |
| Cosmecca Korea Co | South Korea | 1,409 | 1.5 |
| | | 74,522 | 76.5 |
| Net Current Assets* | | 22,870 | 23.5 |
| Total Net Assets | | 97,392 | 100.0 |

*As disclosed on the Statement of Financial Position on page 14.

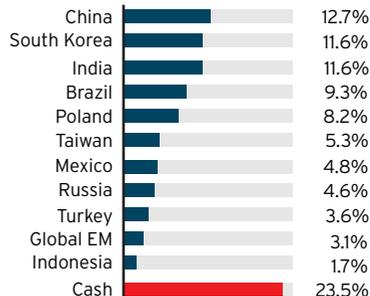
Sector Breakdown

31 May 2019



Geographical Breakdown

31 May 2019



INVESTMENT MANAGERS' REVIEW



Mobius Investment Trust plc ('MMIT', the 'Company') was incorporated on 7 August 2018, and after raising £100 million via an Initial Public Offering, listed on the London Stock Exchange on 1 October 2018.

The Company provides access to Mobius Capital Partners' concentrated equities strategy, which is focused on dynamic mid-sized companies in emerging and frontier markets. Our fundamental bottom-up research process identifies resilient business models which are undervalued and mispriced. We actively partner with management teams to unlock value by driving improvements in operational performance and ESG standards. In essence, the strategy consists of two pillars: we buy companies at a discount to intrinsic value (Pillar 1) and then constructively engage with various stakeholders to create additional upside (Pillar 2).

We believe a closed-ended structure perfectly complements this approach as it allows access to less liquid stocks and markets, with greater inherent inefficiencies and therefore greater potential for improvement.

Performance

The Net Asset Value (NAV) of MMIT decreased by 3.9% over the interim period to 31 May 2019, reaching a high of 102.2p on 5 February 2019 and closing at 94.2p on 31 May. The MSCI Emerging Markets Index was down 1.6% over the same period, while the MSCI Frontier Markets Index was up 5.2% (both reported in sterling).

MMIT's portfolio is predominantly exposed to smaller, non-index companies. Given our high active share (+99%), we do not believe that the MSCI Emerging Markets Index acts as a suitable benchmark to measure performance. That said, we understand many holders will inevitably do so regardless. With this in mind, we have observed that our segment of the market has so far benefitted less from the reversal of flows at the start of 2019 versus the larger, index constituents'. However, any lag should only be short-term, as the market recovery continues to gather pace.

MMIT traded at an average premium to NAV per share of 0.27% during the period under review, which had increased to 0.75% at close on 31 May 2019. The narrowing of the premium (from a peak of 7.0% on 13 March 2019) can primarily be attributed to the issuing of 3,400,000 new ordinary shares at close on 31 May 2019. Known as 'a tap issuance', this mechanism ensures the premium does not reach excessive levels by meeting additional demand through the creation of new shares. Such issuance also assists in lowering MMIT's ongoing costs and potentially enhances secondary market liquidity.

Portfolio Overview

Mobius Capital Partners has established a robust and repeatable investment process focused on our two-pillar investment strategy. It enables us to transition from our initial investment universe of 15,000 stocks to a concentrated portfolio of 20-30 holdings. Initial filtering is done on the basis of market capitalisation and daily liquidity. We typically

INVESTMENT MANAGERS' REVIEW continued

look for companies with an average trading volume of U.S.\$1 million per day and a market capitalisation range from U.S.\$500 million to \$10 billion. Using our proprietary screen, our extensive global network and our research trips, we then narrow the universe down from 4,500 to approximately 400 stocks. The screen looks at a multitude of factors and percentile ranks companies versus their five-year history.

From this pool of interest, we condense the opportunity set further by forming a 'Watch List' of roughly 150 companies. A member of the investment team then presents a summary of any attractive individual stocks to the Investment Committee ('IC'). This consists of an industry overview, financials, an investment thesis as well as engagement opportunities. Macroeconomic factors are also fully integrated.

If there is a majority consensus (at present between 50-60 companies have progressed), the investment team then spend four-six weeks conducting further in-depth research. The process consists of a 360-degree due-diligence which includes an analysis of the industry, competitors, suppliers and other relevant stakeholders. From this list, 20-30 high conviction ideas are selected by the IC to enter the portfolio. The commonality between the holdings is that they are undervalued or mispriced companies with the opportunity to actively engage, and this can be clearly evidenced in our three largest current holdings:

Hugel, a South Korean biopharmaceutical company manufacturing products for medical aesthetics and medical therapeutics (neurological disorders and strokes). We believe

the company is well placed to benefit from the growing global botox market (compound annual growth rate of around 11%), and at the time of investment was trading at a deep discount to peers. This formed the basis for our Pillar 1 investment rationale. In addition, further value can be unlocked (Pillar 2) by engaging with senior stakeholders (Hugel's largest shareholder is Bain Capital, who acquired a 41% stake in June 2017) around capital management and reporting disclosures, especially ESG. With a new management team in place this year, we are excited about their prospects.

Yum China owns and operates more than 8,400 restaurants in over 1,200 towns and cities across China, including several popular quick service restaurant chains that include Pizza Hut, KFC, Taco Bell and Little Sheep. With more than 180 million loyalty members for KFC and Pizza Hut combined, this offers a strong platform for growth (Pillar 1). Our Pillar 2 engagement is focused on balance sheet optimisation; shareholder returns through increased buyback programme and franchising opportunities.

eMemory is a silicon intellectual property (IP) company listed in Taiwan. Founded in 2000 by Dr. Charles Hsu, the focus of IP is embedded non-volatile memory (eNVM) which works when power isn't on. This memory is embedded in the integrated circuit (saving cost and space) and used for a number of applications. Our Pillar 1 investment case was built around the company's unique business model and the opportunities for structural growth. Our engagement (Pillar 2) is focused on incentives

INVESTMENT MANAGERS' REVIEW continued

and communication (most notably with the sell side).

As of 31 May 2019, MMIT had allocated 76.5% of capital, with 20 holdings across 11 countries. Due to ongoing market volatility, we continue to exercise caution and discipline in assigning capital. The largest geographic exposure was China (12.7%), followed by South Korea (11.6%) and India (11.6%). The largest sector exposure was Consumer Discretionary (30.6%), Consumer Staples (14.3%) and Technology (12.6%).

Despite our three-five year investment horizon, there have been two disposals as at 31 May 2019. One of these, Brilliance China Automotive, was directly attributable to our lack of progress around our Pillar 2 engagement. Despite this, the share price still rose by ~25% during our holding period. Separately, we exited our position in lochpe Maxion as we became increasingly less comfortable with the Pillar 1 investment case, following a slowdown in the global automobile market.

Since MMIT's incorporation, the investment team have undertaken research trips to Brazil, China, Eastern Europe, India, South Africa, South Korea, Singapore, Taiwan, Turkey, Vietnam and the UAE, conducting approximately 450 calls and meetings with target company stakeholders. A significant proportion of these recent country visits have been spent following up on our proposed engagement plans with portfolio company's management teams. We have been very pleased with the early progress made, and we

intend to provide further details after any material changes have been formally announced to the market.

Outlook

Emerging and frontier market companies continue to act as a unique opportunity set for investors. A weight of evidence points to the healthy structural advantages present in these developing economies, which will drive robust returns for private sector companies over the coming decade. The current trade dissonance is causing ongoing volatility but will neither last nor derail the longer-term trajectory.

The macroeconomic outlook for the upcoming quarters is positively impacted by the successful revival of growth in China and further supported by a more dovish tone by the US Federal Reserve, pointing to room for further rate cuts in many markets. In view of the upcoming 70th anniversary of the founding of the People's Republic of China in October, we assume ongoing constructive policy making by the national government.

Two factors which are particularly important in emerging and frontier markets are reform and innovation. These are attributes not only reserved for companies in Asia, but increasingly apply to other regions in our investment universe. Particularly noteworthy are the reform efforts to the public pension system in Brazil, the wide-reaching changes in India ranging from tax to infrastructure, as well as the repair of public balance sheets across many emerging market economies. Fiscal prudence and robust public balance sheets will

INVESTMENT MANAGERS' REVIEW continued

act as a general insurance policy, resulting in far lower risk spreads over the coming years.

Innovation is the most significant driver. E-commerce is gathering momentum and patent registration is reaching an all-time high. In 2017, 1.3 million patents were filed in China, more than double the number in the US. 473 of these were related to Artificial Intelligence (AI), compared to 65 in the US and 2 in the UKⁱⁱ. We are seeing sweat shops turned into idea factories, producing a new level of competitiveness and reflecting a geographical shift from West to East. This tide of innovation is not only impacting the private sector, but also spilling over to the public sector. E-Government is helping to address and improve tax collection while reducing corruption and leakage, leading to large scale debottlenecking overall.

Carlos Hardenberg
Greg Konieczny
Mark Mobius
Investment Managers
Mobius Capital Partners LLP

24 July 2019

ⁱ Bloomberg - MSCI Mid and Small Cap up 4.7% and 5.5% respectively

ⁱⁱ World Intellectual Property Organisation

INCOME STATEMENT

for the period from incorporation on 7 August 2018 to 31 May 2019

| | | (Unaudited) Period ended 31 May 2019 | | |
|---|----------|---|----------------------------|----------------|
| | Note | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Loss on investments held at fair value | | - | (3,621) | (3,621) |
| Exchange gains/(losses) on currency balances | | 9 | (68) | (59) |
| Investment income | | 1,036 | - | 1,036 |
| Investment Management and Management Services fees | 2 | (235) | (548) | (783) |
| Other expenses | | (355) | - | (355) |
| Net return/(loss) on ordinary activities before taxation | | 455 | (4,237) | (3,782) |
| Taxation on ordinary activities | | (77) | - | (77) |
| Return/(loss) on ordinary activities after taxation | | 378 | (4,237) | (3,859) |
| Return/(loss) per share basic and diluted since IPO* | 3 | 0.38p | (4.22)p | (3.84)p |

The total column of this statement represents the Company's Income Statement, prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

*The earnings per share from incorporation is the figure calculated in accordance with IAS 33 'Earnings per share'.

The earnings per share from IPO figure has been disclosed, as all earnings were earned subsequently to the IPO, and the issue of the 100,000,000 shares. The Directors have decided to disclose this as it better reflects the return generated for shareholders.

STATEMENT OF CHANGES IN EQUITY

for the period from incorporation on 7 August 2018 to 31 May 2019

(Unaudited)
Period ended 31 May 2019

| | Note | Share capital £'000 | Share premium account £'000 | Special reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|------|---------------------------|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
| Opening balance as at 7 August 2018 | | - | - | - | - | - | - |
| (Loss)/return for the period | 3 | - | - | - | (4,237) | 378 | (3,859) |
| Issue of Ordinary shares following placing and offer for subscription | 4 | 1,000 | 99,000 | - | - | - | 100,000 |
| Issue of Management shares | 4 | 13 | - | - | - | - | 13 |
| Issue of new shares in the secondary market | 4 | 34 | 3,272 | - | - | - | 3,306 |
| Costs of placing and offer for subscription | | - | (2,068) | - | - | - | (2,068) |
| Transfer of share premium to special reserve | 5 | - | (96,932) | 96,932 | - | - | - |
| At 31 May 2019 | | 1,047 | 3,272 | 96,932 | (4,237) | 378 | 97,392 |

STATEMENT OF FINANCIAL POSITION

as at 31 May 2019

| | Note | (Unaudited) 31 May 2019 £'000 |
|---|------|--|
| Fixed assets | | |
| Investments held at fair value through profit or loss | | 74,522 |
| Current assets | | |
| Debtors | | 819 |
| Cash and cash equivalents | | 24,674 |
| | | 25,493 |
| Current liabilities | | |
| Creditors: amounts falling due within one year | | (2,623) |
| | | (2,623) |
| Net current assets | | 22,870 |
| Net assets | | 97,392 |
| Capital and reserves | | |
| Share capital | 4 | 1,047 |
| Share premium account | 4 | 3,272 |
| Special reserve | 5 | 96,932 |
| Retained earnings: | | |
| Capital reserves | | (4,237) |
| Revenue reserve | | 378 |
| Total Shareholders' funds | | 97,392 |
| Net asset value per share | 6 | 94.19p |

NOTES TO THE FINANCIAL STATEMENTS

for the period from incorporation on 7 August 2018 to 31 May 2019

1 Accounting Policies

The Company is a public limited company incorporated in England and Wales, with registered office of 25 Southampton Building, London WC2A 1AL, United Kingdom.

The principal accounting policies, all of which have been applied consistently throughout the year in the preparation of these Financial Statements, are set out below:

(a) Basis of preparation

The Company has adopted applicable UK Accounting Standards, being FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Statement of Recommended Practice (SORP) for "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies issued in November 2014, updated in February 2018 with consequential amendments, and the Companies Act 2006. The Financial Statements for the period ended 31 May 2019 have been prepared in accordance with FRS 104 "Interim Financial Reporting."

The Financial Statements have also been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The Directors believe this is appropriate as the Company maintains sufficient cash balances to meet its expected liabilities over the next twelve months.

The Company's financial statements are presented in sterling, being the functional and presentational currency of the Company. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement.

1 Accounting policies (continued)

(b) Investments held at fair value through profit or loss

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, accordingly investments are designated by the Company, as held for fair value through profit or loss.

The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the Board.

Fair value for quoted investments is deemed to be bid market prices, or last traded price, depending on the convention of the stock exchange on which they are quoted.

Changes in the fair value of investments held at fair value through profit or loss, and gains and losses on disposal are recognised in the Income Statement as a capital item.

All purchases and sales of investments are accounted for on the trade date basis.

The Company's policy is to expense transaction costs on acquisition through the capital column of the Income Statement.

(c) Investment income

Dividends receivable from equity shares are included in revenue on ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of withholding tax.

Special dividends are looked at individually to decide the reason behind the payment. In deciding whether a dividend should be regarded as a capital or revenue receipt, the Company reviews all relevant information as to the reasons for and sources of the dividend on a case by case basis.

Deposit interest receivable is taken to revenue on an accruals basis.

(d) Expenses and finance costs

All the expense and finance costs are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

- Expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or proceeds of that investment;
- Expenses are taken to the capital reserve via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In line with the Board's expected long-term split of returns, in the form of capital gains and income from the Company's portfolio, 70% of the Investment Management fees, Administration and Management Services fees and finance costs are taken to the capital reserve.

1 Accounting policies (continued)

(e) Taxation

In line with the recommendations of the SORP, the tax effect of different items of expenditure is allocated between capital and revenue using the marginal basis. Deferred taxation is provided on all timing differences that have originated but not been reversed by the Statement of Financial Position date other than those regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided for at the rate of tax enacted or substantially enacted.

Dividend income received by the Company may be subject to withholding tax imposed in the country of origin. The tax charges shown in the Income Statement relates to overseas withholding tax on dividend income.

(f) Foreign currency

The currency of the primary economic environment in which the Company operates (the functional currency) is sterling, which is also the presentational currency of the Company. Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies at the Statement of Financial Position date are translated into sterling at the exchange rate ruling at that date.

Exchange differences are included in the Income Statement and allocated as capital if they are of a capital nature, or as revenue if they are of a revenue nature.

(g) Functional and presentational currency

The financial information is shown in sterling, being the Company's presentational currency. In arriving at the functional currency, the Directors have considered the following:

- (i) the primary economic environment of the Company;
- (ii) the currency in which the original capital was raised;
- (iii) the currency in which distributions are made;
- (iv) the currency in which performance is evaluated; and
- (v) the currency in which the capital would be returned to shareholders on a break-up basis.

The Directors have also considered the currency to which underlying investments are exposed and liquidity is managed. The Directors are of the opinion that sterling best represents the functional currency.

(h) Cash and cash equivalents

Cash and cash equivalents are defined as cash and demand deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1 Accounting policies (continued)

(i) Nature and Purpose of Reserves

Ordinary share capital

represents the nominal value of the issued share capital.

Share premium account

The share premium arose on the issue of new shares.

Special reserve

This reserve is created upon the cancellation of the Share Premium Account. This reserve is distributable by way of a dividend.

Capital redemption reserve

A transfer will be made to this reserve on cancellation of the Company's own shares purchased, equal to the nominal value of the shares.

Capital reserve

This reserve reflects any:

- gains or losses on the disposal of investments;
- exchange differences of a capital nature;
- the increases and decreases in the fair value of investments which have been recognised in the capital column of the Income Statement; and
- expenses which are capital in nature as disclosed above.
- this reserve can also be used to distribute realised capital profits by way of a dividend.

Any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve.

Revenue reserve

This reserve reflects all income and expenditure which are recognised in the revenue column of the Income Statement and is distributable by way of dividend.

(j) Equity dividends

Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until they have been approved by shareholders at the Annual General Meeting ('AGM').

2 Investment Management and Management Services fees

| | Revenue £'000 | Capital £'000 | (Unaudited) Period ended 31 May 2019 £'000 |
|--|------------------|------------------|---|
| Investment Management fees - Mobius Capital Partners LLP | 195 | 456 | 651 |
| Management Services fees - Frostrow Capital LLP | 40 | 92 | 132 |
| | 235 | 548 | 783 |

3 Return/(loss) per share - basic and diluted

The return per share figures are based on the following figures:

| | (Unaudited) Period ended 31 May 2019 £'000 |
|-----------------------|---|
| Net revenue return | 378 |
| Net capital loss | (4,237) |
| Net total loss | (3,859) |

| | |
|---|------------|
| Weighted average number of Ordinary Shares in issue during the period from the incorporation of the Company on 7 August 2018 to 31 May 2019 | 81,911,913 |
|---|------------|

| | Pence |
|--------------------------------------|---------------|
| Revenue earnings per share from IPO | 0.38 |
| Capital loss per share from IPO | (4.22) |
| Total loss per share from IPO | (3.84) |

| | |
|--|-------------|
| Weighted average number of Ordinary Shares in issue during the period from the IPO of the Company on 1 October 2018 to 31 May 2019 | 100,451,696 |
|--|-------------|

The earnings per share from incorporation is the figure calculated in accordance with IAS 33 'Earnings per share'.

The weighted average number of Ordinary Shares since incorporation was 81,911,913 and the return per share figures calculated using this would be: revenue return per Ordinary Share 0.46p; capital loss per ordinary share 5.17p; and, total loss per ordinary share 4.71p.

The earnings per share from IPO figure has been disclosed as all earnings were earned subsequently to the IPO, and the issue of the 100,000,000 shares. The Directors have decided to disclose this as it better reflects the return generated for Shareholders.

4 Share capital

On incorporation, the issued share capital of the Company was comprised of 1 Ordinary share of 1p and 50,000 non-redeemable preference shares of nominal value of £1 each, which were subscribed for by the Investment Manager.

On 1 October 2018, 100,00,000 Ordinary Shares were allotted and issued to shareholders as part of the placing. The 1 Ordinary share of 1p issued on the incorporation date was cancelled on this date. The total consideration received was £100,000,000.

The share capital includes 50,000 non-redeemable preference shares of a nominal value of £1 each; of which a one quarter is paid-up. These are held by the Investment Manager.

In line with the Company's premium management strategy, the Company started issuing shares on 25 March 2019. Since then, and until 31 May 2019, 3,400,000 new Ordinary Shares were issued and the total number of shares in issue as at 31 May 2019 was 103,400,000. The total consideration received from the share issues subsequent to the placing was £3,306,000. Since 31 May 2019 up until the date of this report, a further 1,600,000 new Ordinary Shares have been issued.

5 Special reserve

On 18 December 2018 the cancellation of the share premium account was effected and the amount of £96,932,005 previously held in the share premium account was transferred to a special distributable reserve.

6 Net asset value per share

The net asset value per share is based on the net assets attributable to the equity shareholders of £97,392,000 and 103,400,000 shares being the number of Ordinary Shares in issue at the period end.

7 Financial instruments

Financial instruments carried at fair value

(i) Management of Risk

As an investment trust, the Company's investment objective is to seek capital growth and income returns from a portfolio of securities. The holding of these financial instruments to meet this objective results in certain risks.

The Company's financial instruments comprise securities in equities, trade receivables, trade payables, and cash and cash equivalents.

The main risks arising from the Company's financial instruments are fluctuations in market price, and credit and liquidity risk. The policies for managing each of these risks are summarised below. These policies have remained constant throughout the period under review.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments in the portfolio. It represents the potential loss the Company might suffer through holding market positions in the face of price movements, mitigated by stock diversification.

Liquidity Risk

This is the risk that the Company will encounter difficulty in making obligations associated with financial liabilities. All payables are due within under three months.

7 Financial instruments (continued)

Credit Risk

The Company's exposure to credit risk principally arises from cash and cash equivalents. Only highly rated banks are used and the level of cash is reviewed on a regular basis.

The Company manages the levels of cash and cash equivalents held whilst maintaining sufficient liquidity for investments and to meet operating liabilities as they fall due.

(ii) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of fair value measurement bases are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair values measured using valuation techniques for which any significant input to the valuation is not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All investments were classified as Level 1 investments as at, and throughout the period to, 31 May 2019.

8 Comparative information

As this is the Company's first interim report since incorporation there is no comparative financial information to present.

INTERIM MANAGEMENT REPORT

as at 31 May 2019

Going concern

The Directors consider it is appropriate to adopt the going concern basis in preparing the financial statements as the Company has adequate resources to continue in operational existence for the foreseeable future. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Related party transactions

During the period under review no material transactions with related parties have taken place which have affected the financial position or the performance of the Company.

Principal risks and uncertainties

The principal risks and uncertainties associated with the Company are explained in detail, starting on page 23. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial period to 30 November 2019, as they were to the period under review.

Alternative performance measures

The Financial Statements (on pages 12 to 21) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, further details of these will be included in the Annual Report.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with applicable accounting standards;

- (b) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first eight months of the financial period to 30 November 2019 and a description of the principal risks and uncertainties for the remaining six months of the financial period to 30 November 2019); and
- (c) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

Maria Luisa Cicognani

Chairman

24 July 2019

PRINCIPAL RISKS AND UNCERTAINTIES

Principal Risks and Risk Management

The Board considers that the risks detailed below are the principal risks facing the Company currently, along with the risks detailed in Note 7 to the Interim Financial Statements. These are the risks that could affect the ability of the Company to deliver its investment strategy and objective.

The Board can confirm that the principal risks of the Company, including those which would threaten its future performance, solvency or liquidity, have been robustly assessed during the period ended 31 May 2019, and that processes are in place to continue this assessment.

Macroeconomic Risks

The performance of the Company's investment portfolio is materially influenced by economic and regulatory conditions. These may affect demand for services supplied by investee companies, foreign exchange rates, input costs, interest rates, debt and equity capital markets and the number of active trade and financial buyers. All of these factors could be influenced by the outcomes of the Brexit negotiations, and all have an impact on the Company's ability to realise a return from its investment portfolio and cannot be directly controlled by the Company.

Objective and Strategy Implementation Risks

The Company is subject to the risk that its long-term strategy and its level of performance fail to meet the expectations of its shareholders.

A robust and sustainable corporate governance structure has been implemented with the Board responsible for continued delivery for shareholders. Experienced emerging markets

investment managers have been retained in order to deliver the strategy.

Investment Risks

The performance of the Company's portfolio is influenced by a number of factors. These include, but are not limited to: (i) the quality of the initial investment decision; (ii) the quality of the management team of each underlying portfolio company and the ability of that team to successfully implement its business strategy; (iii) the success of the Investment Manager in building an effective working relationship with each team in order to agree and implement value-creation strategies; (iv) changes in the market or competitive environment in which each portfolio company operates; and (v) the macroeconomic risks described above. Any one of these factors could have an impact on the valuation of an investment and on the Company's ability to realise the investment in a profitable and timely manner.

The Investment Manager has put in place a rigorous investment process which ensures disciplined investment selection and portfolio management. This includes detailed due diligence, regular portfolio reviews and in many cases an active engagement with portfolio companies.

Portfolio Diversification Risk

The Company is subject to the risk that its portfolio may not be diversified, being heavily concentrated in the emerging markets sector, and on the economy in those countries where the investments are located.

The Company may invest its assets in early-stage companies which, by their nature, may be smaller capitalisation companies. Such companies may not have the financial strength,

PRINCIPAL RISKS AND UNCERTAINTIES continued

as at 31 May 2019

diversity and resources of larger and more established companies and may find it more difficult to operate, especially in periods of low economic growth.

The Company attempts to mitigate this risk by making investments in a range of companies in accordance with the Investment Objective and Investment Policy but given the nature of the Company's Investment Objective this remains a significant risk.

Credit Risk

Credit risk is the risk of a failure of a counterparty to discharge its obligations resulting in the Company suffering a loss. This risk is mitigated by dealing with brokers who have been approved by the Investment Manager and banks with high credit ratings and by investing in markets that mainly operate DVP (delivery versus payment) settlement or the loss of the cash deposit. When evaluating counterparties there can be no assurance that the review will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating the creditworthiness of the counterparty.

Operational Risk

The Board is reliant on the systems of the Company's service providers and as such disruption to, or a failure of, those systems could lead to a failure to comply with law and regulations leading to reputational damage and/or financial loss to the Company.

To manage these risks the Board:

- receives a monthly compliance report from Frostrow and the Investment Manager, which includes, inter alia, details of compliance with applicable laws and regulations;

- reviews internal control reports, where available, key policies, including measures taken to combat cyber-security issues, and also the disaster recovery procedures of its service providers;
- maintains a risk matrix with details of risks the Company is exposed to, the controls relied on to manage those risks and the frequency of the controls operation; and
- receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with these.

Key Person Risk

There is a risk that the individuals responsible for advising on the Company's portfolio may leave their employment or may be prevented from undertaking their duties.

The Board manages this risk by:

- receiving reports from the Investment Manager at each Board meeting, such report includes any significant changes in the make-up of the team supporting the Company; and
- performing an annual review of the service received from the Investment Manager, including, inter alia, the team supporting the lead managers and succession planning.

DIRECTORS AND OTHER INFORMATION

Directors

Maria Luisa Cicognani (Chairman)
Christopher M. Casey
(Audit Committee Chairman)
Dr Sophie Robé
Charlie Y. Shi

Registered Office

Mobius Investment Trust plc
25 Southampton Buildings
London WC2A 1AL
United Kingdom

*Incorporated in England and Wales with
company number 11504912 and registered as
an investment company under Section 833 of
the Companies Act 2006.*

Investment Manager

Mobius Capital Partners LLP
42 Upper Grosvenor Street
London W1K 2NH
United Kingdom

**Company Secretary, Administrator and
Management Services**

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
United Kingdom
Tel.: 0203 008 4910
Email: info@frostrow.com

Corporate Broker

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

Depository

Northern Trust Global Services plc
50 Bank Street
Canary Wharf
London E14 5NT
United Kingdom

Legal Adviser to the Company

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH
United Kingdom

Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX
United Kingdom

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom
Telephone: 0370 703 6304*

* Calls cost no more than calls to geographic numbers (01 or 02) and must be included in inclusive minutes and discount schemes in the same way. Calls from landlines are typically charged up to 9p per minute; calls from mobile phones typically cost between 3p and 55p per minute. Calls from landlines and mobiles are included in free call packages.

Identification Codes

SEDOL: BFZ7R98
ISIN: GB00BFZ7R980
Ticker: MMIT

Legal Entity Identifier (LEI):

21380033EKFQS15X1W22

Global Intermediary Identification

Number (GIIN): J9AYNU.99999.SL.826

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Investment Fund Managers Directive (“AIFMD”)

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (“AIFs”) and requires them to appoint an Alternative Investment Fund Manager (“AIFM”) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

| | As at 31 May 2019 |
|---|----------------------------------|
| Share price (p) | 94.90 |
| Net Asset Value per share (p) | 94.19 |
| Premium of share price to net asset value | 0.8% |

Initial Public Offering (“IPO”)

An IPO is a type of public offering in which shares of a company are sold to institutional investors and usually also retail (individual) investors. Through this process, colloquially known as *floating*, or *going public*, a privately held company is transformed into a public company.

Net Asset Value (“NAV”)

The value of the Company’s assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV per share is also described as ‘shareholders’ funds’ per share. The NAV is often expressed in pence per share after being divided by the number of shares which are in issue. The NAV per share is unlikely to be the same as the share price which is the price at which the Company’s shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

NAV Total Return

The theoretical total return on shareholders’ funds per share, including an assumed £100 original investment at the beginning of the period specified, reflecting the change in NAV assuming that any dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in the Share price discount/premium.

HOW TO INVEST

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The 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. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

| | |
|------------------------|---|
| AJ Bell Youinvest | http://www.youinvest.co.uk/ |
| Alliance Trust Savings | http://www.alliancetrustsavings.co.uk/ |
| Barclays Stockbrokers | https://www.barclays.co.uk/smart-investor/ |
| Bestinvest | http://www.bestinvest.co.uk |
| Charles Stanley Direct | https://www.charles-stanley-direct.co.uk/ |
| Halifax Share Dealing | http://www.halifax.co.uk/investing/ |
| Hargreaves Lansdown | http://www.hl.co.uk/ |
| HSBC | https://hsbc.co.uk/investments |
| iDealing | http://www.idealing.com/ |
| Interactive Investor | http://www.ii.co.uk/ |
| IWEB | http://www.iweb-sharedealing.co.uk/share-dealing-home.asp |
| Saga Share Direct | https://www.sagasharedirect.co.uk/ |
| Selftrade | http://www.selftrade.co.uk/ |
| The Share Centre | https://www.share.com/ |
| Saxo Capital Markets | https://www.home.saxo/ |

Financial Calendar

| Date | Event |
|-------------|-----------------------------|
| 30 November | Financial Year End |
| February | Financial Results Announced |
| April | Annual General Meeting |
| 31 May | Half Year End |
| July | Half Year Results Announced |

Website

For further information on share prices, regulatory news and other information, please visit www.mobiusinvestmenttrust.com

Shareholder Enquiries

In the event of queries regarding your shareholding, please contact the Company's Registrar, Computershare Investor Services, who will be able to assist you with:

- Registered holdings
- Balance queries
- Lost certificates
- Change of address notifications

Computershare's full details are provided on page 25 or please visit www.computershare.com/uk.

Computershare Investor Services - Share Dealing Service

A share dealing service is available to existing shareholders through the Company's Registrar, Computershare, to either buy or sell shares.

HOW TO INVEST continued

Shareholders wishing to use this service will need their Shareholder Reference Number ('SRN'), which can be found on the share certificate. If shareholders are unable to locate their SRN, they should contact Computershare.

Computershare's Internet and Telephone Share Dealing Service provides shareholders with a simple way to sell or purchase shares (subject to availability) on the London Stock Exchange. Real time trading is available during market hours (08.00 to 16.30 Monday to Friday excluding bank holidays).

Shareholders who would like to use Computershare's Share Dealing Service should either do so online at www.computershare.trade or call +44 (0) 370 703 0084.

The fee for the internet share dealing service is 1% of the value of each sale or purchase of shares (subject to a minimum of £30). Stamp duty of 0.5% may be also payable on purchases.

The fee for the telephone share dealing service is 1% of the value of the transaction plus £50. Stamp duty of 0.5% may be also payable on purchases.

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, some of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

WARNING TO SHAREHOLDERS

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers of shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud reporting form at www.fca.org.uk/scams or call the FCA Consumer Helpline on 0800 111 6768. You may also wish to contact either the Company Secretary or the Registrar (details provided on page 25).

To view the report online

If you would like to view video updates
about the company, please visit:

www.mobiusinvestmenttrust.com
