Merian Chrysalis Investment Company Limited

Interim Report and Unaudited Condensed Interim Financial Statements

For the period ended 31 March 2020

MERIAN GLOBAL INVESTORS

Contents

Chairman's Statement

The board of Merian Chrysalis Investment Company Limited ("Merian Chrysalis" or "the Company") is pleased to present these interim accounts together with a portfolio update from our Investment Advisor.

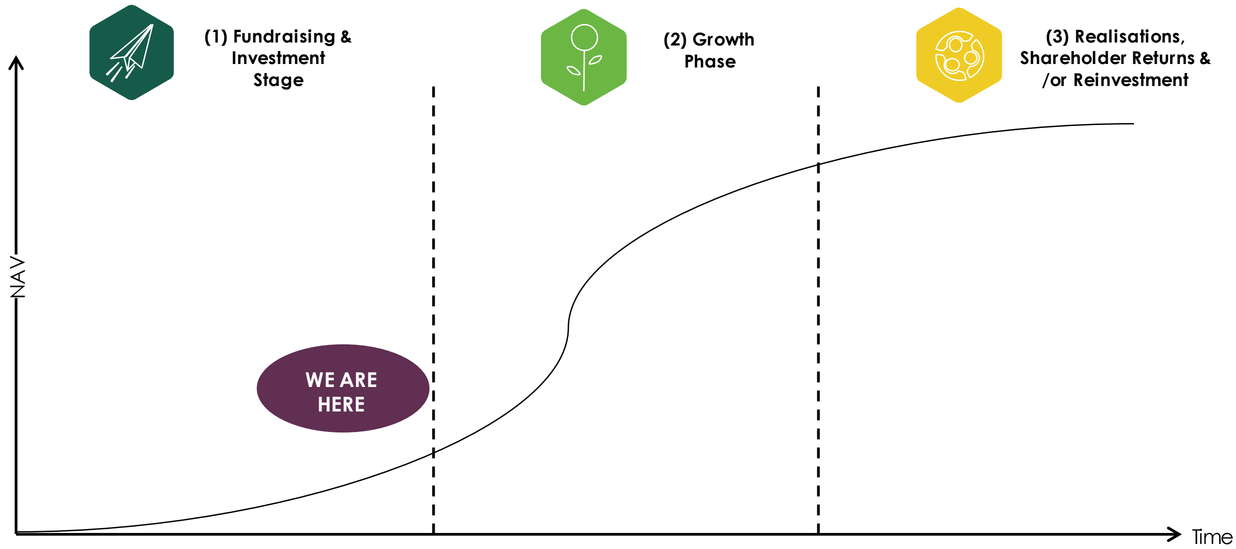
The Company continues to build on its strategy of investing in high growth, later-stage, technology-enabled businesses. The Company has now built a portfolio of eleven investments (ten at the period end) covering a number of sectors and geographic footprints in line with this strategy. Whilst the portfolio is not immune from effects of the pandemic, which has hit all economies to a greater or lesser extent since the beginning of 2020, it does seem that the focus on building stakes in scalable businesses of the future has also demonstrated the defensive qualities of the strategy during this period. As a number of commentators have highlighted, the tragic and awful impact of the pandemic has focused businesses, consumers and governments on changes in the delivery of goods and services, and of lifestyles and working practices, towards areas where technology can play an accelerating and increasing role.

Evidence of the defensiveness of the portfolio can be seen by the reported NAV over the period, which only fell by 4% despite the significant impact of COVID-19 on valuation multiples.

	Sep-19	**Mar-20**	**% chg**
NAV per share	113.3p	108.65p	-4.2%
Share price	124p	88p	-29.0%
Total net assets	£382m	£366m	-4.2%

Since formation in October 2018, the Investment Advisor has enabled the Company to raise £375m to capitalise on this strategy. The Company added an investment in FinanceApp AG ("Wefox") during the period and, post period end, one in Featurespace Limited ("Featurespace") to take the portfolio to eleven investments. The diagram on the next page encapsulates the progress the Company has made and where we and the Investment Advisor believe we are in its lifecycle. Currently, I believe the Company is on the cusp of entering the "Growth Phase": where the maturity of our holding period, and the growth achieved by the investee companies over this time, begins to become apparent on a portfolio basis. This is encouraging news, as the rapid addition of a number of new holdings – coming in at cost – can mask the overall progress being made by assets on an individual basis.

FUND LIFECYCLE



Past performance of the Company is not a guarantee of the future performance of the Company and there is no guarantee that the Company will identify and invest in portfolio companies at the same rate in the future

In our view there is significant growth potential within the existing portfolio. As you will see in the Investment Advisor's report below, the lifecycle of each of the companies is at different phases and we would expect to see some of the more developed business models yielding realisation opportunities in line with our original objectives for those investments over the coming periods. With realisations will come the opportunity to redeploy capital in new investments and increase flexibility around funding. During 2020 in particular, the Company has been prudent in its cash management. This has enabled it to retain sufficient liquidity to fund the most likely COVID-19 related trading outcomes, as well to invest throughout the pandemic-affected period, both in new positions, and in helping existing investee companies to build scale.

At the full year report I said that the Company would look to develop an ESG framework. I am pleased to say that work has started on this, and I look forward to updating shareholders on progress at the 2020 results.

Chairman's Statement (continued)

At the time of signing these interim accounts, Merian Global Investors (MGI) has announced that it has been acquired by Jupiter Asset Management ("Jupiter"), subject to regulatory approval. The Company has a change of control provision in its investment advisory agreement with MGI. We held discussions with the senior management of Jupiter prior to Jupiter's shareholders agreeing to the acquisition as to how the status quo would be maintained post completion of the acquisition. All the Merian Chrysalis investment team are moving to Jupiter and will continue to provide the same services going forward. The Company's negotiating position is being established by the Management Engagement Committee of the Board, and in due course, the Board will consider the proposed contractual arrangements. It is the Board's firm intention to work constructively with Jupiter and to achieve an outcome that ensures your Company's long term interests are best served by this change of control in the Investment advisor.

I believe the investment team led by Richard Watts and Nick Williamson has built a very impressive portfolio in a relatively short period of time. The reputation the team is generating through its investment approach is clearly providing the Company with access to high quality deal flow where we are investing alongside well established and successful venture investors from Europe and North America. Access to that deal flow is a rare commodity from which our shareholders, I believe, are benefitting.

In conclusion, I believe your Company is well positioned to reap the rewards of the considerable amount of work undertaken during the past 18 months. The Investment Advisor has built a portfolio of strong assets with significant growth potential, and has been working hard on scaling a number of them. I believe the benefits of this investment should begin to become apparent as the Company moves into the Growth Phase, and subsequently onwards into Phase 3: Realisations. In addition, the Investment Advisor continues to receive numerous inbound requests for investment, which bodes well for further deployment of capital in due course.

Finally, we would like to thank all of our shareholders and advisors for their continued support.

Andrew Haining
Chairman
25 June 2020

Portfolio Statement

As at 31 March 2020

Company	Date of acquisition	Cost (£'000)	Value (£'000)	% of net assets
TransferWise Limited	07/11/2018	55,557	67,766	18
Starling Bank Limited	10/04/2019	48,248	51,743	14
Graphcore Limited	17/12/2018	50,395	51,336	14
The Hut Group Limited	20/12/2018	29,648	32,762	9
Klarna Holding AB	09/08/2019	41,236	32,741	9
Embark Group Limited	14/08/2019	14,900	18,402	5
FinanceApp AG (Wefox) Loan Note	18/12/2019	12,059	12,790	3
Sorted Holdings Limited	15/08/2019	10,000	10,000	3
Secret Escapes Limited	07/11/2018	13,065	5,809	2
Growth Street Holdings Limited	22/01/2019	12,612	2,813	1
Total investments		**287,720**	**286,162**	**78**
Cash and cash equivalents			80,794	22
Other net current liabilities			(1,083)	(0)
Total net assets			**365,873**	**100**

Investment Advisor’s Report

Overview

Merian Chrysalis entered the first half of the financial year well capitalised. Following a successful placing in September 2019, which raised gross proceeds of £175m, the Company began the period with £213m of cash and cash equivalents. The portfolio was 45% fully invested at this point and comprised nine assets.

As announced at the time of the placing, our intention was to use approximately 50% of the proceeds of the capital raise to scale up exposure to a number of existing portfolio holdings. This was achieved via the acquisition of additional interests in those investments from the open-ended UK small- and mid-cap equity funds managed by Merian Global Investors. This strategy enabled us to scale up our unit positions in some of the Company’s core holdings, namely TransferWise Limited (“Transferwise”), Graphcore Limited (“Graphcore”) and The Hut Group Limited (“The Hut Group” or “THG”). It is difficult to source and execute top-tier deal flow so it was an efficient use of time and our proceeds to acquire assets, which we knew had performed well through 2019. As anticipated, these acquisitions were modestly accretive to NAV as they occurred at a small discount to the latest valuation, to reflect an estimation of the normal price of liquidity.

Our first follow-on investment of the period was a £20m investment in Starling Bank Limited (“Starling”) in October 2019 and we soon followed this up with a £12.2m investment in Embark Group Limited (“Embark”) in November 2019, which enabled it to acquire the Zurich Platform (“Zurich”). In December, we added our second asset outside of the United Kingdom via a €14.4m investment in Wefox, a Berlin-based technology business operating in the insurance sector. This took the total number of portfolio assets to ten.

At the beginning of 2020, we decided to participate in Graphcore’s Series D-2 funding round (Merian Chrysalis made a $25m follow-on), encouraged by the announcement of its high-profile collaboration with Microsoft. Starling also raised a further £60m in February and Merian Chrysalis participated in this funding round. As of 31 March 2020, the Company had deployed approximately 78% of its available capital.

The Company assessed 45 opportunities over the period and progressed several assets to the latter stages of due diligence. We were working on one particularly large investment through Q4 2019, which we had been tracking for some time. However, we decided to walk away from that deal at a late stage of due diligence. This was disappointing given the considerable amount of time we had spent working on it, however, we will never compromise the quality and trading performance of the existing portfolio simply in order to deploy capital.

Merian Chrysalis entered the volatile end to the period, which was negatively impacted by the COVID-19 global pandemic, well capitalised. The Investment Advisor continuously assesses the balance between maintaining flexibility and efficient use of capital within the Company; periods such as Q1 2020 remind us of the importance of retaining sufficient capital to support existing assets through a range of potential trading scenarios.

Investment Advisor's Report (continued)

Overview (continued)

While we reported our first reduction in NAV through Q1 2020, a circa ("ca") 4% mark-down could be considered resilient, given the sharp decline in equity markets over the period and the derating of comparable listed companies. Limiting the reduction in NAV was possible due to the robust trading performances of a number of the portfolio assets and the downside protection mechanisms we look to utilise where we can, typically in the form of preference and/or convertible structures. This is discussed at more length in the "Pipeline and Outlook" section.

Given the exposure of the Company to tech-enabled investment theses, and the relatively better trading performances demonstrated by this grouping, versus more traditional, "offline" business models during the pandemic, we believe the Company is well positioned at this particular time from a thematic perspective.

Risk was managed over the final COVID-19-affected quarter by monitoring the situation closely and offering support to portfolio assets where needed. The Investment Advisor believes it has retained enough capital to assist its investee companies through a reasonable range of COVID-19-related trading scenarios should any potential issues arise.

Market

Equity markets performed strongly across most of the period, with the NASDAQ reaching an all-time high in February 2020, and the UK market benefiting from the Conservative party's comprehensive victory in the general election in December 2019. However, the focus of the equity markets quickly turned to the spread of COVID-19 through Q1 and the human and economic ramifications of the virus. This profoundly affected global markets and equities suffered steep declines as countries went into lockdown to contain the outbreak. Oil prices also plunged as the virus weakened the outlook for demand, at the same time as there was a breakdown of an agreement between producers to constrain supply.

Across the private markets, COVID-19 negatively impacted deal flow and the ability of companies to raise external capital. We saw a marked decrease in the number of deals we were shown by advisors through Q1 2020 as investors turned their attention to the demands of their existing portfolio and its capital requirements. During the period, we assessed 45 deals, of which 27 fell in the quarter to December 2019. Notwithstanding the decrease in deals, we successfully closed a new investment in Wefox which we consider to be a highly attractive investment.

COVID-19 has amplified and demonstrated the importance of focusing on businesses with strong fundamentals. Much of our investment effort is dedicated towards identifying those companies with structural growth opportunities, proven revenue generating ability, and robust underlying economic drivers. This decreases the reliance on the state of the general economic environment to drive returns, and we believe this provides downside protection from a trading and valuation perspective, and ultimately improves our chances of successful realisations in due course.

Investment Advisor's Report (continued)

Market (continued)

There were a number of notable deals[1] over the period, and it is encouraging that Merian Chrysalis continues to access some of Europe's largest and most exciting deals, as evidenced below:

- Revolut, US$500m Series D (FinTech)
- Lilium, US$240m Series C (Mobility)
- Graphcore Limited, US$150m Series D (Semi conductors)
- Snyk, US$150m Series C (Cyber Security)
- Wefox, US$110m Series B (InsureTech)
- Starling Bank Limited, £90m Series C (FinTech)

1. The source of the deals referred to above is PitchBook.

Portfolio

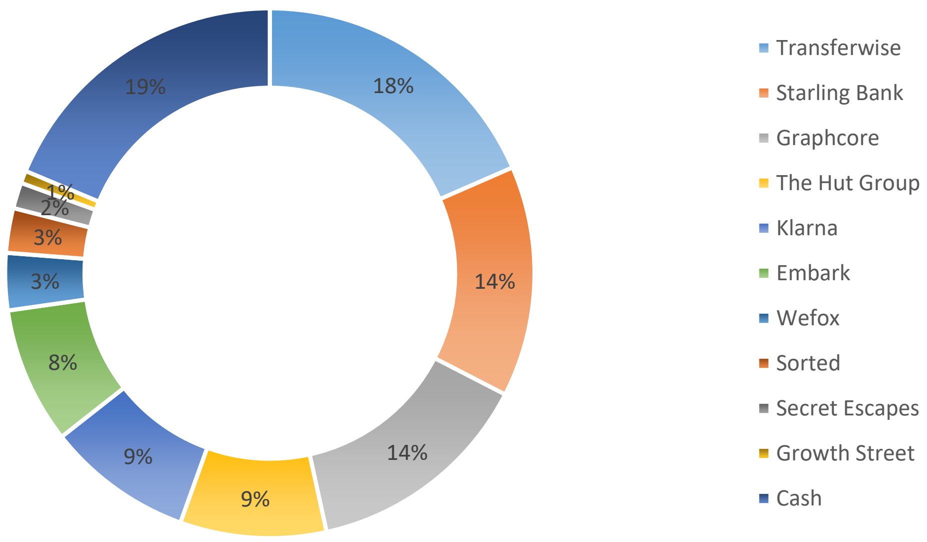
As at 31 March 2020, the Company had net assets of approximately £366m, with ca£286m invested in private companies and ca£81m in cash and cash equivalents. This implies that 78% of assets were invested.

The Company entered the period with a total of nine portfolio assets but the majority of the Company's assets consisted of cash (ca55%), following a successful capital raise in September 2019 that raised gross proceeds of £175m. The strategy over the course of the interim period was to increase the Company's exposure to its best performing assets while retaining sufficient capital to initiate two or three further investment positions. This enabled Merian Chrysalis to maintain the shape and balance of the portfolio at scale, balance the weighting of the portfolio assets and improve the diversity and thematic positioning of the overall portfolio.

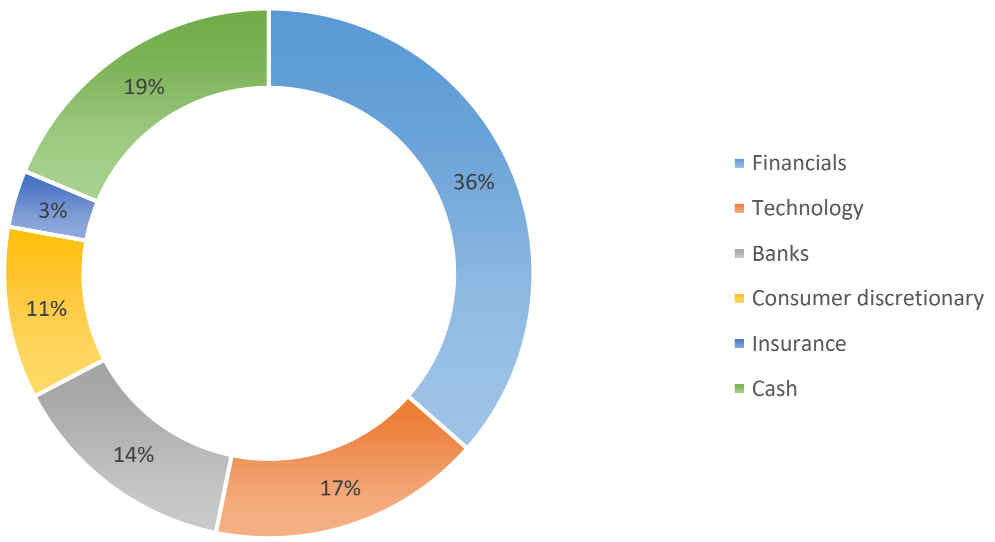
Investment Advisor's Report (continued)

Portfolio (continued)

As of 31 March 2020, the top three holdings in the Company were TransferWise (18%), Graphcore (14%) and Starling (14%), three highly disruptive businesses that have built truly innovative technologies. The Company is most exposed to the financials sector (36%), followed by technology (17%), banks (14%), consumer discretionary (11%) and insurance (3%).



Source: MGI as at 31 March 2020[1].



Source: MGI as at 31 March 2020.

1 Assuming the follow-on round in Embark announced earlier in the period had completed; this deal subsequently completed post period end.

Investment Advisor's Report (continued)

Portfolio (continued)

It should be noted that sectors are becoming increasingly blurred and portfolio assets can often be categorised in various ways. The Hut Group is a great example of this: it is a leading e-commerce business across the beauty and nutrition sectors (consumer discretionary), but it has developed a proprietary e-commerce platform and has licensed its technology to other brands and companies (technology).

We also find that in certain sectors, our portfolio companies trade in completely different sub-sectors, which may imply lower correlation between the assets than our reporting implies. For example, within "financials", Klarna Holding AB ("Klarna") provides online payments, while TransferWise provides a digital money transfer service and Embark offers a digital retirement platform.

We will continue to add positions to the portfolio with sector diversification in mind and we will rarely add competing assets to the portfolio. We are increasingly interested in adding portfolio assets that complement each other and that could mutually benefit from collaboration; this is one of the ways in which we try to deliver value creation for our portfolio companies and management teams.

We also look to screen for assets and add units to our portfolio that follow a broad range of prevailing themes; again, portfolio assets can sit within one or many of these themes. An example of these themes would be:

- The application of machine intelligence in delivering goods and services
- The ability to provide a product suite efficiently via cloud computing
- A revenue model that is delivered as a service (aaS) on a subscription basis
- A business model that satisfies the needs of an organisation rather than individual user
- A willingness and desire to deliver products and services in a socially responsible way

There were no disposals of investments during the reporting period. Many of our assets are later-stage, however, and could be described as 'IPO ready', given that they generate material revenue streams and in some cases robust profits.

Investment Advisor's Report (continued)

Portfolio (continued)

TransferWise Limited

TransferWise is a global technology company that was founded with the aim of reducing fees associated with sending money across borders. With a simple money transfer platform and borderless accounts, TransferWise makes it quick and easy for individuals who travel, live and work internationally to manage their money. Businesses can use TransferWise to pay suppliers or employees overseas, request payments from customers and transfer funds between their own accounts in different countries. The company now has over 7m customers that move more than £4bn per month.

In the period, TransferWise continued its high cadence of new service introductions with the launch of its 'Pay with TransferWise' partnership with accountancy software provider Xero and API integration with GoCardless, plus adding Apple Pay, GBP and EUR direct debits to its multi-currency account. The company added 1,100 staff through FY19, which more than doubled total headcount to over 2,000.

TransferWise is looking to modernise international banking via "TransferWise for Bank". This is an API which directly integrates with a financial institution's existing infrastructure, enabling them to offer customers cheaper, faster, transparent payments to 85+ countries and 40+ currencies. In Q1 2020, TransferWise announced a partnership with ActivoBank, its first Portuguese banking customer. TransferWise now works with partners across three continents, including Monzo in the UK, Bunq in the Netherlands, N26 in Germany, LVH in Estonia, Novo and Stanford Federal Credit Union in the US and EQ in Canada. Partnerships with BPCE, France's second largest bank, and Up! in Australia have also been announced.

The company reacted well to lockdown, with a business model well suited to remote working. Following the outbreak of COVID-19, TransferWise has seen minimal impact on its growth aspirations, with some evidence that new customer acquisition has become easier.

Total Investment: US$71.8m
Date of Initial and Subsequent Investments: November 2018, October 2019 and November 2019
Last Reported Financials: (Y/E: March 19)**:** £179m Revenue (+53% YoY); £18.3m EBITDA

Graphcore Limited

Graphcore is a leading machine intelligence semiconductor business, which has developed the Intelligence Processing Unit ("IPU"). The IPU is completely different from today's CPU and GPU processors. It is a highly flexible, easy to use, parallel processor that has been designed from the ground up to deliver state of the art performance on today's machine intelligence models for both training and inference. The IPU has been designed to allow new and emerging machine intelligence workloads to be realised. As well as designing the world's most sophisticated silicon processor, Graphcore has also built the world's very first graph tool chain specifically designed for machine intelligence – the Poplar software stack.

Portfolio (continued)

Graphcore Limited (continued)

During the period, Graphcore shared details of its collaboration with Microsoft, announcing a preview of its IPUs on Microsoft Azure. Microsoft and Graphcore have been collaborating closely for over two years and their developers have achieved state of the art performance and accuracy across a number of complex AI models such as BERT and ResNeXt . This announcement was a landmark moment for Graphcore and validates the maturity of the IPU hardware and Poplar software stack.

A number of other performance tests showing strong IPU performance were also announced. Of particular note was one undertaken by Microsoft using IPUs to assess intracranial images for haemorrhage that showed a 2x improvement in speed for half the power, and a 26x speed up for financial services customers looking at probabilistic modelling.

Graphcore also raised US$150m through Q1 2020 from a variety of new and existing investors, of which Merian Chrysalis was one. This left the company with cash reserves of over US$300m as of January 2020.

The business adapted well to lockdown, and as of mid-May continued to see strong engagement from sales leads.

Total Investment: US$65.2m
Date of Initial and Subsequent Investments: December 2018, December 2019 and January 2020
Last Reported Financials: (Y/E: December 18)**:** US$1.2m Revenue (FY17: n/a); (£57.8m) EBITDA

Starling Bank Limited

Founded by banking expert Anne Boden in 2014, Starling has built a scalable platform that delivers a range of financial services to customers. Core products include bank accounts for both retail and SME customers, which allow users to bank via a mobile app, offering digital sign-up; instant notification of transactions; insights into spending habits; and 24/7 support. Starling has also been successful in providing its technology to other financial services businesses and users via its "Banking-as-a-Service" offering, which allows customers to access its state-of-the-art payments systems and infrastructure.

During the period Starling launched new functionality, particularly a business toolkit aimed at SMEs that assists with invoice and cash flow tracking and helps submit VAT returns to HMRC. In February it raised a further £60m from existing investors, including Merian Chrysalis, to continue its rapid expansion and also gave shares to all employees. At this time it announced it had passed 1.25m customers and £1.25bn of deposits. March saw the launch of a nationwide advertising campaign, establishment of a Cardiff office (with the creation of 400 jobs) and winning Best British Bank for a third year in a row at the British Bank Awards.

Investment Advisor's Report (continued)

Portfolio (continued)

Starling Bank Limited (continued)

The bank adapted well to lockdown, helped by the fact it was created as an online offering. Post period end there was significant progress, with the bank being accredited for both the Coronavirus Business Interruption Loan Scheme (CBILS), where a £300m financing agreement with Funding Circle was announced, and the Bounce Back Loan Scheme (BBLS). A connected card, linked to a master account, was also unveiled to help carers continue to support people self-isolating.

As of mid-May, Starling had opened more than 1.4 million current accounts, including 155,000 business accounts, since launching its banking app in May 2017. Its deposit base had more than doubled in six months and it stood at more than £2.4 billion. It was one of the fastest growing SME banks in Europe – holding a 2.6% market share of the UK SME market – and had almost £500m of SME lending on its balance sheet.

Total Investment: £48.2m
Date of Initial and Subsequent Investments: April 2019 and October 2019
Last Reported Financials: (Y/E: November 18)**:** £0.7m Total Income; (£25.1m) Loss after tax

Embark Group Limited

Embark is a full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities. The Group trades under the subsidiary brands Embark, Vested, Rowanmoor, EBS, The Adviser Centre, DISCUS and Hornbuckle. It also operates a wide portfolio of white-label technology solutions for businesses such as RBS Coutts, Standard Life, Nutmeg, BestInvest, Charles Stanley, Moneyfarm and Wealthsimple.

Embark is one of the fastest growing digital retirement and savings businesses in the UK market. The Group is experiencing strong demand for its digital services and additional capital will enable it to take full advantage of its disruptive position in the UK savings sector through continued technological innovation and selective expansion opportunities.

Embark completed its acquisition of Zurich's Investment and Retail Platform post period end. This transferred ca£11bn assets under administration ("AUA") of platform assets, and ca£0.6bn of multi-asset assets under management to Embark, along with an advised client book of more than 130,000, largely dominated by SIPP clients. This takes Embark's AuA to over £33bn, serving more than 365,000 consumer clients across all its channels and brands, up from ca£16bn at the time of the Company's initial investment. These transactions position Embark as the seventh largest player in the advised platform market in the UK.

Embark has been recognised in the WealthTech 100 as one of the most innovative Wealth Tech companies in 2019 and 2020.

Total Investment: £14.9m (as part of a £39.4m funding round)
Date of Investment: August 2019
Last Reported Financials: (Y/E: December 19): £33.5m Revenue (+10% YoY); £0.9m Net Profit

Investment Advisor's Report (continued)

Portfolio (continued)

The Hut Group Limited

The Hut Group is an eCommerce business that operates a highly scalable, end-to-end proprietary technology platform powering sales of its own brands and third-party brands online. The firm has invested significantly in its infrastructure, technology platform and brands and is one of the world's largest online beauty and well-being businesses.

In March, THG reported a surge in demand for its health, beauty and nutrition products across its world-leading brands, including MyProtein.com and Lookfantastic.com. This led the group to bring forward its recruitment plans from later this year, with the creation of 500 permanent positions across manufacturing, fulfilment and logistics. The majority of roles (c350) will be created at THG's 1m sq. ft. manufacturing and fulfilment centre in Warrington, Cheshire.

Ingenuity, THG's end-to-end ecommerce platform, is also gaining significant traction. Post period end, the company announced the signing of a £100m, 10-year contract with Nestle Health Science. THG will deliver a fully serviced, global ecommerce platform, to internationally scale a number of Nestle's brands. THG has now partnered with a number of international retailers, including Procter & Gamble, Walgreens Boots Alliance, Johnson & Johnson, Groupe L'Occitane and Nintendo, and this enables the group to dispatch over 68 million items to customers globally.

As of mid-May 2020, THG was trading at elevated levels, driven by the performance of non-discretionary nutrition and personal care categories, and was ahead of its 2020 budget.

Total Investment: £29.6m (secondary transaction)
Date of Initial and Subsequent Investments: December 2018 and October 2019
Last Reported Financials: (Y/E: December 19): £1.14bn Revenue (+24% YoY); EBITDA £111m

Klarna Holding AB

Klarna is a leading global payments provider that is revolutionising the online payment experience. Founded in Stockholm in 2005, Klarna is one of Europe's most innovative and disruptive technology companies. Klarna offers direct payment, payment after delivery options and instalment plans in a smooth one-click purchase experience that allows users across Europe and North America to pay how and when they prefer. Klarna currently operates in 14 countries and added 28m more users over 2018. The latest funding round valued Klarna at US$5.5bn, making it Europe's most valuable fintech company.

Klarna announced its FY19 annual results during the period, showing sustained growth both in the UK and globally. Year-on-year global volumes and revenue increased by 32% and 31% respectively, while the volume processed now amounts to over US$35bn per annum. Since launch, over 7m customers have now used Klarna in the UK, a doubling in the last year. Klarna now has more than 5,000 live merchants in the UK and 500 of these brands have also launched in-store offerings.

Investment Advisor's Report (continued)

Portfolio (continued)

Klarna Holding AB (continued)

The company also announced that Ant Financial Services Group, owner and operator of the world's leading payments and lifestyle platform Alipay, has taken a minority stake in Klarna. This investment supports the further developments of its strategic cooperation, bringing more of Klarna's innovative solutions to consumers and merchants within the broader Alibaba ecosystem. In an announcement made in early March, Klarna stated "During 2020, the company will continue to gain strong momentum on current markets as well as enter new markets, with an already strong start to the year with the recent successful launch of the Klarna app in Australia."

Total Investment: US$50m (as part of a US$460m growth round)
Date of Investment: August 2019
Last Reported Financials: (Y/E: December 19)**:** SEK7.2bn Net Revenue (+31% YoY); (SEK1.1bn) Net Income

FinanceAPP AG ("Wefox")

Wefox was founded in Berlin in 2015 and has already established itself as one of Europe's largest and fastest growing insuretech assets. The Wefox Group consists of two subsidiaries: Wefox and ONE.

Wefox is Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland. The Wefox platform enables over 350,000 customers, 1,500 insurance broker agents and 300 insurance providers to transact and manage insurance products digitally. The Wefox app and website acts as a digital wallet, where consumers can store details of their insurance policies, and also allows third-party insurance companies and brokers to achieve efficiencies through a high degree of automation.

ONE was launched in February 2018 and is a fully digital insurance company distributing private liability and household policies in Germany. ONE is fully integrated with Wefox and leverages the platform's distribution capability and data sets to deliver best-in-class loss ratios and customer acquisition cost.

The company had a successful start to the year and now generates more than €100m in sales, which represents a growth rate of four times over 2018. The company raised over €200m in 2019, more than any other European insuretech asset, and the proceeds will be used to expand across Europe, as well as building out a new platform that will be launched later this year to sit alongside its existing insurance products.

Total Investment: €14.4m (via a convertible loan note)
Date of Investment: December 2019
Last Reported Financials: (Y/E: December 18)**:** €22.9m Net Revenue (+31% YoY); (€43.2m) Net Income

Investment Advisor's Report (continued)

Portfolio (continued)

Sorted Holdings Limited

Sorted Holdings Limited ("Sorted") is a Manchester-based, global Software as a Service (SaaS) company that has developed a delivery management platform that allows retailers (both digital and physical) to effectively manage their delivery and returns proposition. This enables retailers to increase conversion rates, reduce abandoned baskets and maintain customer loyalty. Sorted has developed three highly innovative products:

- SortedHERO, an application programming interface solution, allowing retailers to display real-time delivery options at checkout;
- SortedPRO, a ground-breaking delivery management platform for carrier and shipping management; and
- SortedREACT, a powerful AI driven tracking platform that aggregates carrier and delivery communications post purchase.

Sorted is one of the UK's fastest growing and most disruptive SaaS companies. It has invested over £30 million to date in its technology and provides global retailers with a best-in-class solution. Sorted now operates in 14 countries across Europe and the US and works with a number of leading companies, including: ASOS, Farfetch, JD Sports, N Brown, Wincanton and Clipper Logistics.

Sorted had a very strong start to the year. As of mid-May 2020 it was generating annual recurring revenue growth in excess of 100% year-on-year and winning a number of material clients. During the period, Sorted signed JD Sports with two distinct projects covering UK and Europe; Insight, a Fortune 500 business IT reseller with US$7bn turnover; George at ASDA; and a global contract with a British multi-brand enterprise retailer. The company also went live in Australia and will launch in Japan and South Korea later this year.

Sorted's carrier library, which represents a material barrier to entry for new entrants to the market, continues to expand with new carriers in Europe, US and Australia recently added.

Generally, the impact of COVID-19 has seen retailers increasingly relying on their digital capabilities and this has led to increased focus and spending on their online propositions, including with Sorted.

Total Investment: £10m (as part of a £14.5m Series B)
Date of Investment: August 2019
Last Reported Financials: N/A

Investment Advisor's Report (continued)

Portfolio (continued)

Secret Escapes Limited

Secret Escapes Limited ("Secret Escapes") is a members-only online travel company. Its digital marketplace uses innovative technology to connect travellers with discounts on luxury hotels and travel experiences. It helps hotels minimise unsold inventory by allowing them to discreetly market to its members who are seeking luxury travel at affordable prices.

The firm operates in many countries around the world and is the market-leading membership based travel company in Germany, UK, Czech Republic, Poland, Slovakia and the Nordics.

As an online travel business, the company has seen a significant impact from the pandemic and related restrictions to travel. As previously announced, the company recently made a £2.6m follow-on investment, as part of a wider funding round, in order to support Secret Escapes navigate through a variety of COVID-19 stressed trading scenarios, as well as allowing it to benefit from accelerated channel shift and less competition post-lockdown.

Total Investment: £13.1m (Secondary Transaction)
Date of Investment: November 2018
Last Reported Financials (Y/E: December 18): £121m Revenue (+66% YoY); £2.3m EBITDA

Growth Street Holdings Limited

Growth Street Holdings Limited ("Growth Street") has developed an innovative peer-to-peer ("P2P") lending product specifically targeted at UK SMEs. The firm's proprietary technology platform integrates with a number of data sources to provide unmatched speed, flexibility and credit monitoring for SMEs. Growth Street reconciles accounting, bank and credit data on a daily basis which enables it to streamline the credit decision process and provide ongoing credit monitoring and credit line adjustment. Its flagship business finance facility, GrowthLine, is a highly flexible revolving line of credit designed to replace and extend bank overdrafts and invoice financing. Growth Street has facilitated more than £80m of borrowing since launching in 2014.

As previously reported, two significant loans that the company had originated fell into default over the final quarter of 2019, which was very disappointing. Given the nature of this investment, this was a relatively small unit within the portfolio at outset. The combination of the defaults, exacerbated by COVID-19, led Growth Street to initiate a 'liquidity event' in the first quarter of 2020 and close investor access to its platform. This has enabled the company to maintain stability within its loan book and will help to protect both borrowers and investors from any further disruption as a result of COVID-19.

Total Investment: £12.6m
Date of Investment: January 2019
Last Reported Financials: N/A (subject to small companies' regime)

Investment Advisor's Report (continued)

Pipeline and outlook

The outlook for Merian Chrysalis continues to be positive.

The portfolio has performed extremely well against a challenging backdrop, as demonstrated by the resilience of most of our assets on an individual basis and also by the performance of the net asset value (NAV) of the Company. Despite a very sharp decline in equity markets through Q1 2020 and a derating of relevant listed peers, NAV on a per share basis fell by around 4% over the period.

There are three main drivers for this solid NAV performance:

- Trading performances of the underlying assets – generally the portfolio companies have seen robust trading across the period;
- Comparable valuations – despite the significant declines in global equity markets as a result of COVID-19 over the period, the Investment Advisor, while recognising the medium and long-term ramifications of the pandemic are not yet fully clear, notes the generally strong rebound in valuations since period end (as of mid-May); and
- Downside protection – a number of the investments have structures designed to limit downside risk, such as preference stacks, which protect shareholders from the full extent of valuation declines.

While the outlook for equity markets remains uncertain to some degree, the trading performances of the investee companies has generally been encouraging over the period, and this bodes well for the remainder of the year.

Merian Chrysalis was set up to seek out attractive, unlisted companies. We defined some of the characteristics we were targeting in the IPO prospectus, which included :

- The ability to deliver growth rates substantially higher than the average UK plc; and
- The ability to protect the duration of these growth rates via competitive advantage, e.g. via scale or technology.

This led us towards a group of businesses we labelled "tech-enabled disrupters".

Our belief is that significant events, typically macroeconomic in nature, can accelerate established trends. The Investment Advisor has been cognisant of society's shift towards new, typically tech-enabled, business models for some years, and this trait was one of the reasons for the launch of Merian Chrysalis – these businesses often stay private for longer. COVID-19 and its societal impact is likely to accelerate the rise of the tech-enabled disrupters, as consumers' and businesses' usual routes to access goods and services have been disrupted.

Investment Advisor's Report (continued)

Pipeline and outlook (continued)

Given the stock market is beginning to differentiate between the structural winners and the structurally challenged, the Investment Advisor believes Merian Chrysalis is thematically well positioned and we have built a portfolio of assets that comprise of digitally-enabled businesses that are highly disruptive, fast growing and resilient. These assets have proven customer acquisition and unit economics and have typically already demonstrated that their business models are sustainable and have the potential to generate positive earnings and cash flow.

While our assets are digitally enabled, several also play into the hands of other prevailing growth themes, such as the emergence of artificial intelligence, machine learning and cloud computing.

The Investment Advisor is working hard to generate proprietary deal flow as it firmly believes that this is the best way to access the best deals at the most attractive terms. As a result of this, the Investment Advisor spends considerable amounts of time assessing companies across the United Kingdom, but also increasingly Northern and Western Europe, which could fit the Merian Chrysalis blue print. The crossover proposition and expertise in listed equities is compelling to founders and management teams, and a truly differentiated proposition usually enables access to some of Europe's most exciting assets.

We have been tracking some assets for a considerable time now, while we wait for an opportunity to invest. During these periods we continue to strengthen our relationships with management teams to increase our understanding of the investment case. This approach yielded dividends post period end when the investment in Featurespace was announced, a company that had been on our watchlist for over a year.

As of mid-May 2020, the market was still affected by COVID-19 and there was little apparent appetite from most capital providers to look outside of their current portfolios. With cash still on the balance sheet, this will hopefully create new opportunities for investment for the Company. Our quality threshold is as high as it has ever been and we will only add additional units if they improve the financial performance and quality of the overall portfolio, while providing further sector and thematic exposure. We have a stringent due diligence process and we have demonstrated discipline by walking away from a large investment in the latter stages of due diligence when our investment criteria were not met.

COVID-19 notwithstanding, the new financial year has started well. Post period end the number of assets in the portfolio was increased to eleven and the level of invested capital to 90%. Our goals for the remainder of the year are to:

- Continue to look for compelling new investment ideas, recognising the current market may generate opportunities;
- Monitor and assess the trading performance of each portfolio asset against a tough backdrop, and ensure that sufficient capital is retained to support these assets through a range of probable trading scenarios;
- Work closely with our portfolio assets to help them successfully maximise their potential and thus valuation; and
- Generate strong NAV growth for our shareholders.

Investment Advisor's Report (continued)

Pipeline and outlook (continued)

Over the course of the first 18 months of Merian Chrysalis' life, we have had a strong focus on scaling the Company, reaching critical mass and increasing the number of assets within the portfolio. We have successfully done this and we are increasingly confident that our portfolio assets will now demonstrate their growth credentials by driving meaningful NAV progression. As a result, we look forward to the future with confidence.

Finally, we would like to thank all of our shareholders and advisors for their continued support.

Merian Global Investors (UK) Limited

25 June 2020

Investment Objective and Policy

Investment objective

The investment objective of the Company is to generate long term capital growth through investing in a portfolio consisting primarily of equity or equity-related investments in unquoted companies.

Investment policy

The Company will invest in a diversified portfolio consisting primarily of equity and equity-related securities issued by unquoted companies.

Investments will be primarily in equity and equity-related instruments (which shall include, without limitation, preference shares, convertible debt instruments, equity-related and equity-linked notes and warrants) issued by portfolio companies. The Company will also be permitted to invest in partnerships, limited liability partnerships and other legal forms of entity where the investment has equity like return characteristics.

For the purposes of this investment policy, unquoted companies shall include companies with a technical listing on a stock exchange but where there is no liquid trading market in the relevant securities on that market (for example, companies with listings on The International Stock Exchange and the Cayman Stock Exchange). Further, the Company shall be permitted to invest in unquoted subsidiaries of companies whose parent or group entities have listed equity or debt securities.

The Company may invest in publicly traded companies (including participating in the IPO of an existing unquoted company investment), subject to the investment restrictions below. In particular, unquoted portfolio companies may seek IPOs from time to time following an investment by the Company, in which case the Company may continue to hold its investment without restriction.

The Company is not expected to take majority shareholder positions in portfolio companies but shall not be restricted from doing so. Further, there may be circumstances where the ownership of a portfolio company exceeds 50% of voting and/or economic interests in that portfolio company notwithstanding an initial investment in a minority position. While the Company does not intend to focus its investments on a particular sector, there is no limit on the Company's ability to make investments in portfolio companies within the same sector if it chooses to do so.

The Company will seek to ensure that it has suitable investor protection rights through its investment in portfolio companies where appropriate.

The Company may acquire investments directly or by way of holdings in special purpose vehicles, intermediate holding vehicles or other fund or similar structures.

Investment Objective and Policy (continued)

Investment restrictions

The Company will invest and manage its assets with the objective of spreading risk, as far as reasonably practicable.

No single investment (including related investments in group entities) will represent more than 20% of Gross Assets, calculated as at the time of that investment.

The Company's aggregate equity investments in publicly traded companies that it has not previously held an investment in prior to that Company's IPO will represent no more than 20% of the Gross Assets, calculated as at the time of investment.

Subject in all cases to the Company's cash management policy, the Company's aggregate investment in notes, bonds, debentures and other debt instruments (which shall exclude for the avoidance of doubt convertible debt, equity-related and equity-linked notes, warrants or equivalent instruments) will represent no more than 20% of the Gross Assets, calculated as at the time of investment.

The Company will not be required to dispose of any investment or rebalance its portfolio as a result of a change in the respective value of any of its investments.

Board Members

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Incorporation and the investment policy, and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors have delegated certain functions to other parties such as the Alternative Investment Fund Manager ("AIFM"), the Investment Advisor, the Administrator, the Company Secretary, the Depositary and the Registrar. In particular, responsibility for day to day management of the investments comprising the Company's portfolio has been delegated to the Investment Advisor. The Directors have responsibility for exercising supervision of the AIFM and the Investment Advisor.

Andrew Haining (Chairperson) (independent)

Andrew has had a 30-year career in banking and private equity with Bank of America, CDC (now Bridgepoint) and Botts & Company. During his career, Andrew has been responsible for over 20 private equity investments with transactional values in excess of US$1bn.

Andrew holds several Guernsey and UK board positions, including Chairman of Praxis IFM Group Limited and Chairman of Aurigny, the state-owned Channel Islands airline.

Stephen Coe (senior independent)

Stephen is currently a director and Chairman of the Audit Committee of Leaf Clean Energy Company Limited and Weiss Korean Opportunities Fund Limited. Stephen has been involved with offshore investment funds and managers since 1990, with significant exposure to property, debt, emerging markets and private equity investments. Stephen qualified as a Chartered Accountant with Price Waterhouse Bristol in 1990 and remained in audit practice, specialising in financial services, until 1997. From 1997 to 2003 Stephen was a director of the Bachmann Group of fiduciary companies and Managing Director of Bachmann Fund Administration Limited, a specialist third party fund administration company. From 2003 to 2006 Stephen was a director with Investec in Guernsey and Managing Director of Investec Trust (Guernsey) Limited and Investec Administration Services Limited. Stephen became self-employed in August 2006, providing services to financial services clients.

Simon Holden (independent)

Simon, a Guernsey resident, brings Board experience from both private equity and portfolio company operation roles at Candover Investments then Terra Firma Capital Partners. Since 2015, Simon has become an active independent director to listed alternative investment companies (HICL Infrastructure Plc., Hipgnosis Songs Fund Limited, Trian Investors 1 Limited and JPMorgan Global Core Real Assets Limited), private equity funds and trading company Boards, including trading assets owned by the States of Guernsey.

Simon holds the DiploD in Company Direction from the Institute of Directors, graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering and is an active member of Guernsey's GIFA, NED Forum and IP Commercial Group.

Board Members (continued)

Anne Ewing (independent)

Anne has over 35 years of financial services experience in banking, asset and fund management, corporate treasury, life insurance and the fiduciary sector. Anne has an MSc in Corporate Governance and is a Chartered Fellow of the Securities Institute and a Fellow of ICSA. Anne has held senior roles in Citibank, Rothschilds, Old Mutual International and KPMG and latterly has been instrumental in the start-ups of a Guernsey fund manager and a fiduciary licensee. Anne is self-employed and has a number of non-executive directorships and chairman roles in investment companies, banks and trust companies in the Channel Islands and in London. Anne is currently a Senior Independent Director on the LSE listed Alcentra Floating Rate Income Fund Limited.

Tim Cruttenden (independent)

Tim is Chief Executive Officer of VenCap International plc, a UK-based asset management firm focused on investing in venture capital funds. He joined VenCap in 1994 and is responsible for leading the strategy and development of the firm. Prior to joining VenCap, Tim was an economist and statistician at the Association of British Insurers in London. He received his Bachelor of Science degree (with honours) in Combined Science (Economics and Statistics) from Coventry University and is an Associate of the CFA Society of the UK. Tim is a non-executive director of Polar Capital Technology Trust.

Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company's performance and could cause actual results to differ materially from expected and historical results.

The AIFM has overall responsibility for risk management and control within the context of achieving the Company's objectives. The Board agrees the strategy for the Company, approves the Company's risk appetite and the AIFM monitors the risk profile of the Company. The AIFM also maintains a risk management process to identify, monitor and control risk concentration.

The Board's responsibility for conducting a robust assessment of the principal and emerging risks is embedded in the Company's risk map and stress testing, which helps position the Company to ensure compliance with the Association of Investment Companies Code of Corporate Governance (the "AIC Code").

The principal and emerging risks, with the exception of COVID-19 addressed below, to which the Company will be exposed are given in note 17 to the Audited Financial Statements for the period 3 September 2018 to 30 September 2019.

The main risks that the Company faces arising from its financial instruments are:

i market risk, including:

- price risk, being the risk that the value of investments will fluctuate as a result of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates;
- foreign currency risk, being the risk that the value of financial assets and liabilities will fluctuate because of movements in currency rates;

ii credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

iii liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments.

In order to manage such risks the Company shall comply with the investment restrictions and diversification limits provided for in the Prospectus.

Risks and Uncertainties (continued)

The Company will invest and manage its assets with the objective of spreading risk. Further to the investment restrictions discussed the Company also seek to manage risk by:

- not incurring debt over 20% of its NAV, calculated at time of drawdown. The Company will target repayment of such debt within twelve months of drawdown; and
- entering from time to time into hedging or other derivative arrangements for the purposes of efficient portfolio management, managing where appropriate, any exposure through its investments to currencies other than Sterling.

Other risks

COVID-19

In considering this risk, the Board's thinking has been as follows:

The Directors have carried out a robust assessment of the Company's processes for monitoring operating costs, share price discount, the Investment Manager's compliance with the investment objective and policy, asset allocation, the portfolio risk profile, counterparty exposure, liquidity risk and financial controls. At the period end the Company had cash and cash equivalents of £80.79m, including short-dated treasury bills of £59.99m, and net current assets of £79.71m. As a result, the Company is highly liquid and is able to settle its debts and continue its business with no interruptions.

Among the aims of the Company, as set out at IPO, are to invest in companies that have both the ability to deliver growth rates substantially higher than the average UK plc and that can protect the duration of those rates via competitive advantage, e.g. via scale or technology. This led the Investment Advisor towards a group of businesses it labelled "tech-enabled disrupters".

Given the shutdown of many "traditional" areas of the economy, businesses and consumers have had to rely much more heavily on technology and online channels. These were sectors already growing faster than the wider economy, but have now been given added impetus. Not only can this lead to higher growth rates in the short term, it can also drive new user adoption at significantly lower cost than previously experienced.

We monitor the performance of our assets on a quarterly basis and receive monthly data in some instances which enables us to monitor the performance of the assets.

We have considered the operations of our services providers as they relate to the Company. With this in mind, we believe the Company is well-positioned at this particular time from a thematic perspective and the strategy of the Company therefore remains unchanged.

The Board will of course continue to assess the position as more information about the impact of the virus becomes available.

Going Concern

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered recent market volatility and the potential impact of COVID-19 virus on the Company's investments (as set out in more detail on the previous page). After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the Unaudited Condensed Interim Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

Important events and financial performance

The important events that have occurred since incorporation are:

Highlights	Ordinary Shares 31 March 2020
Net Asset Value per share	108.65p
Share Price	88.00p
% of capital deployed	78%

The table below provides quarterly performance information:

Date	NAV p	% change in price
30.09.19	113.33	0.0%
31.12.19	113.45	0.1%
31.03.20	108.65	-4.2%

The net loss for the period amounted to £15,758,000.

Further details of the Company's performance for the period are included in the Investment Advisor's Report on pages 5 to 19, which includes a review of investment activity and adherence to investment restrictions.

Discount

As at 31 March 2020, the share price is trading at a discount from the last published NAV per share.

Related party transactions

Details of related party transactions are given in note 13 to the Unaudited Condensed Interim Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting;
- the interim management report (which includes the Chairman's Statement, Interim Management Report and the Investment Advisor's Report) includes a fair review of the information required by:
    (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

    (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Stephen Coe
Director
25 June 2020

Independent Review Report to Merian Chrysalis Investment Company Limited

Conclusion

We have been engaged by Merian Chysalis Investment Company Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2020 of the Company which comprises the unaudited condensed statement of comprehensive income, the unaudited condensed statement of financial position, the unaudited condensed statement of changes in equity, the unaudited condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Barry Ryan
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey
25 June 2020

Unaudited Condensed Statement of Comprehensive Income

For the 6 month period ended 31 March 2020

	Notes	Period from 1 Oct 2019 to 31 March 2020 (unaudited) Revenue £'000	Capital £'000	Total £'000	Period from 3 Sept 2018 to 31 March 2019 (unaudited) Revenue £'000	Capital £'000	Total £'000
Investments							
Net (losses) / gains on investments held at fair value through profit or loss	9	–	(14,007)	(14,007)	–	11,463	11,463
Losses on currency movements		–	(147)	(147)	–	(15)	(15)
Net investment (losses) / gains		–	**(14,154)**	**(14,154)**	**–**	**11,448**	**11,448**
Interest income		127	258	385	–	114	114
Total income		**127**	**258**	**385**	**–**	**114**	**114**
Investment management fees	5	(950)	–	(950)	(110)	(1,617)	(1,727)
Other expenses	6	(1,039)	–	(1,039)	(280)	–	(280)
(Losses)/gains before finance costs and taxation		**(1,862)**	**(13,896)**	**(15,758)**	**(390)**	**9,945**	**9,555**
Finance costs		–	–	–	(1)	–	(1)
(Losses)/gains before taxation		**(1,862)**	**(13,896)**	**(15,758)**	**(391)**	**9,945**	**9,554**
Withholding tax expense		–	–	–	–	–	–
Total (losses)/gains and comprehensive income for the period		**(1,862)**	**(13,896)**	**(15,758)**	**(391)**	**9,945**	**9,554**
(Losses)/gains per Ordinary Share (pence)	7	(0.55)	(4.13)	(4.68)	(0.39)	9.95	9.56

The total column of this statement represents the Statement of Comprehensive Income of the Company prepared under IAS 34.

The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies ("AIC").

All items in the above statement derive from continuing operations.

The notes on pages 34 to 48 form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed Statement of Financial Position

As at 31 March 2020

	Notes	31 March 2020 £'000 (unaudited)	30 September 2019 £'000 (audited)
Non-current assets			
Investments held at fair value through profit or loss	9	**286,162**	**170,040**
Current assets			
Cash and cash equivalents		80,794	212,665
Other receivables		137	82
		80,931	**212,747**
Total assets		**367,093**	**382,787**
Current liabilities			
Other payables		(1,220)	(1,157)
Total liabilities		**(1,220)**	**(1,157)**
Net assets		**365,873**	**381,630**
Equity			
Share Capital	10	370,367	370,366
Capital reserve		(1,192)	12,704
Revenue reserve		(3,302)	(1,440)
Total equity		**365,873**	**381,630**
Net Asset Value per Ordinary Share (pence)	11	108.65	113.33
Number of Ordinary Shares in issue		336,742,424	336,742,424

Approved by the Board of Directors and authorised for issue on 25 June 2020 and signed on their behalf:

Stephen Coe
Director

The notes on pages 34 to 48 form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed Statement of Changes in Equity

For the 6 month period ended 31 March 2020

	Share capital 2020 £'000	Capital reserve 2020 £'000	Revenue reserve 2020 £'000	Total 2020 £'000
For the period 1 October 2019 to 31 March 2020 (unaudited)				
At 1 October 2019	370,366	12,704	(1,440)	381,630
Total losses and comprehensive income for the period	–	(13,896)	(1,862)	(15,758)
Expenses of share issue	1	–	–	1
At 31 March 2020	370,367	(1,192)	(3,302)	365,873

	Share capital 2019 £'000	Capital reserve 2019 £'000	Revenue reserve 2019 £'000	Total 2019 £'000
For the period 3 September 2018 to 31 March 2019 (unaudited)				
At 3 September 2018	–	–	–	–
Total gains/(losses) and comprehensive income for the period	–	9,945	(391)	9,554
Issue of Management Shares	1	–	–	1
Redemption of Management Shares	(1)	–	–	(1)
Issue of Ordinary Shares	100,000	–	–	100,000
Expenses of share issue	(1,144)	–	–	(1,144)
At 31 March 2019	**98,856**	**9,945**	**(391)**	**108,410**

The notes on pages 34 to 48 form an integral part of these unaudited condensed interim financial statements.

Unaudited Condensed Statement of Cash Flows

For the 6 month period ended 31 March 2020

	Notes	Period from 1 Oct 2019 to 31 March 2020 £'000 (unaudited)	Period from 3 Sept 2018 to 31 March 2019 £'000 (unaudited)
Cash flows from operating activities			
Bank interest paid		–	(1)
Other expense payments		(1,980)	(147)
Interest income		385	114
Purchases of investments	9	(130,129)	(64,509)
Net cash outflow from operating activities		**(131,724)**	**(64,543)**
Cash flows from financing activities			
Issue of Ordinary Shares	10	–	100,000
Expenses of Ordinary Share issuance	10	–	(1,144)
Net cash inflow from financing activities		**–**	**98,856**
Net (decrease) / increase in cash and cash equivalents		**(131,724)**	**34,313**
Cash and cash equivalents at beginning of period		212,665	–
Effect of foreign exchange		(147)	(15)
Cash and cash equivalents at end of period		**80,794**	**34,298**
Cash and cash equivalents comprise of the following:			
Cash at bank		20,802	1,315
Cash equivalents - UK treasury bills		59,992	32,983
		80,794	**34,298**

The notes on pages 34 to 48 form an integral part of these unaudited condensed interim financial statements.

1. Reporting Entity

Merian Chrysalis Investment Company Limited (the "Company") is a closed-ended investment company, registered in Guernsey on 3 September 2018, with registered number 65432. The Company's registered office is 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD.

The Company is a Registered Closed-ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission ("GFSC"), with reference number 2404263, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and the Registered Closed-ended Investment Scheme Rules 2015.

The Company's 336,742,424 shares in issue under ticker MERI, SEDOL BGJYPP4 and ISIN GG00BGJYPP46 have a premium listing and are admitted to trading on the London Stock Exchange's Main Market for listed securities. The Unaudited Condensed Interim Financial Statements of the Company are presented for the 6 month period ended 31 March 2020.
The Company invests in a diversified portfolio consisting primarily of equity and equity-related securities issued by unquoted companies.

The Company and its Alternative Investment Fund Manager received investment advice from Merian Global Investors (UK) Limited ("MGI") during the 6 month period ended 31 March 2020. The administration of the Company is delegated to Maitland Administration (Guernsey) Limited ("MAGL") (the "administrator").

2. Significant accounting policies

(a) Basis of accounting

The Unaudited Condensed Interim Financial Statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and applicable Guernsey law. These Unaudited Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, they do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the period from 3 September 2018 (date of incorporation) to 30 September 2019, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU. The accounting policies adopted in these Unaudited Condensed Interim Financial Statements are consistent with those of the previous financial period and the corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment companies issued by the Association of Investment Companies ("AIC") updated in February 2019 is consistent with the requirements of IFRS, the directors have sought to prepare the Unaudited Condensed Interim Financial Statements on a basis compliant with the recommendations of the SORP.

2. Significant accounting policies (continued)

(b) Going concern

The Directors have adopted the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered recent market volatility and the potential impact of COVID-19 virus on the Company's investments. After making enquiries and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the Unaudited Condensed Interim Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

(c) Segmental reporting

The chief operating decision maker is the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business with the primary objective of investing in securities to generate capital growth for shareholders. Consequently, no business segmental analysis is provided.

The key measure of performance used by the Board is the Net Asset Value of the Company (which is calculated under IFRS as adopted by the European Union). Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Financial Statements.

(d) Taxation

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 amended by the Director of Income Tax in Guernsey for the current period. Exemption is applied and granted annually and subject to the payment of a fee, currently £1,200.

3. Use of estimates and critical judgements

The preparation of the Condensed Interim Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Condensed Interim Financial Statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates and assumptions.

3. Use of estimates and critical judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. There were no significant accounting estimates or significant judgements in the current period, except for the use of estimates in the valuation of investments which are all unquoted.

4. New and revised standards

The following accounting standards and their amendments were in issue at the period end but will not be in effect until after this financial year end. The Directors have considered their impact and have concluded that they will not have a significant impact on the Financial Statements.

- Amendments to IAS 1 and IAS 8 – effective 1 January 2020

5. Investment management fees

	2020 £'000	2019 £'000
Investment management fee	950	110
Investment Advisor's performance fee – charged to capital	–	1,617
Total investment management fees	**950**	**1,727**

Under the terms of the portfolio management agreement, MGI is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred in the performance of its duties.

Management fee

The monthly management fee is equal to 1/12 of 0.5% of the Net Asset Value (the "management fee"). The management fee is calculated and paid monthly in arrears. [1]

If at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by MGI or any of its Associates and is not waived, the value of such investment will be excluded from the calculation of NAV for the purposes of determining the management fee.

As at 31 March 2020, an amount of £949,915 was outstanding and due to MGI in respect of management fees.

1. For the period from first admission until the date on which 90% of the net proceeds were invested, directly or indirectly, the value attributable to any investments other than equity or equity-related investments in quoted or unquoted portfolio companies held for investment purposes (including cash, near cash investments or highly liquid investments immediately convertible into cash) was excluded from the calculation of Net Asset Value ("NAV") for the purposes of determining the management fee. This period expired on 1 October 2019.

5. Investment management fees (continued)

Performance fee

MGI will be entitled to receive a performance fee, the sum of which is equal to 20% of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the higher of: (i) the Performance Hurdle; and (ii) the High Water Mark ("the performance fee"). The calculation period for the current period will be the period commencing on 1 October 2019 and ending on 30 September 2020 (the "Calculation Period").

Adjusted Net Asset Value at the end of a Calculation Period shall be the audited NAV in Sterling at the end of the relevant Calculation Period:

(i) plus an amount equal to any accrued or paid performance fee in respect of that Calculation Period or any prior Calculation Period;

(ii) plus an amount equal to all dividend or other income distributions paid to shareholders that have been declared and paid on or prior to the end of the relevant Calculation Period;

(iii) minus the amount of any distribution declared in respect of the Calculation Period but which has not already reduced the audited NAV;

(iv) minus the Net Capital Change where the Net Capital Change is positive or, correspondingly, plus the Net Capital Change where such net Capital Change is negative (which for this purpose includes the Net Capital Change in the relevant Calculation Period and each preceding Calculation Period; and

(v) minus any increase in the NAV during the Calculation Period attributable to investments attributable to C shares prior to the conversion of those C shares.

"Performance Hurdle" means, in relation to the Calculation Period, ("A" multiplied by "B") + C where:

"A" is 8% (expressed for the purposes of this calculation as 1.08) (calculated as an annual rate and adjusted to the extent the Calculation Period is greater or shorter than one year);

"B" is:

(i) in respect of the first Calculation Period, the Net Issue Proceeds; or

(ii) in respect of each subsequent Calculation Period, the sum of this calculation as at the end of the immediately preceding Calculation Period: (a) excluding any changes made pursuant to paragraphs (x) and (y) below in that preceding Calculation Period; and (b) plus (where sum is positive) or minus (where such sum is negative) the Net Capital Change attributable to shares issues and repurchases in all preceding Calculation Period (the amount in this paragraph (b) being the "Aggregate NCC"), in each case, plus (where such sum is positive) or minus (where such sum is negative) the sum of:

(x) in respect of each share issue undertaken in the relevant Calculation Period being assessed, an amount equal to the Net Capital Change attributable to that share issue multiplied by the sum of the number of days between admission to trading of the relevant shares and the end of the relevant Calculation Period divided by 365 (such amount being the "issue adjustment"); minus

5. Investment management fees (continued)

Performance fee (continued)

(y) in respect of each repurchase or redemption of shares undertaken in the relevant Calculation Period being assessed, an amount equal to Net Capital Charge attributable to that share purchase or redemption multiplied by the number of days between the relevant disbursement of monies to fund such repurchase or redemption and the end of the relevant Calculation Period divided by 365 (such amount being the "reduction adjustment"),

"C" is the sum of:

the issue adjustment for the Calculation Period;

the reduction adjustment for the Calculation Period; and

the Aggregate NCC multiplied by -1.

"Net Capital Change" equals I minus R where:

"I" is the aggregate of the net proceeds of any share issue over the relevant period (other than the first issue of ordinary shares);

"R" is the aggregate of amounts disbursed by the Company in respect of the share redemptions or repurchases over the relevant period.

"High Water Mark" means the Adjusted Net Asset Value as at the end of the Calculation Period in respect of which a performance fee was last earned or if no performance fee has yet been earned, an amount equal to the Net Issue Proceeds.

Under the terms of the portfolio management agreement, any accrued and unpaid performance fees will crystallise and become payable to MGI upon certain termination events.

The accrued performance fee shall only be payable by the Company to the extent that the Payment Amount is greater than the sum of the performance fee (which shall both be calculated as at the end of each Calculation Period) and, to the extent that the Payment Amount is less than the sum of the performance fee for that Calculation Period, an amount equal to the difference shall be carried forward and included in the performance fee calculated as at the end of the next Calculation Period (and such amount shall be paid before any performance fee accrued at a later date).

"Payment amount" is the sum of:

(i) aggregate net realised profits on investments since the start of the relevant Calculation Period; plus

(ii) an amount equal to each IPO investment unrealised gain where the initial public offering of the relevant investment takes place during the relevant Calculation Period; plus or minus (as applicable)

(iii) an amount equal to the listed investment value change attributable to that calculation period; plus

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the 6 month period ended 31 March 2020

5. Investment management fees (continued)

Performance fee (continued)

(iv) the aggregate amount of all dividends or other income received from investments of the Company in that Calculation Period (other than investments made pursuant to the cash management policy of the Company as stated in the Investment Policy).

No performance fee is payable out of the assets attributable to any C Shares in issue from time to time.

As at 31 March 2020, the Company had not exceeded the High Water Mark and Performance Hurdle and no accrual for performance fees has been reflected within these Financial Statements.

An amount of £102,859 was outstanding and due to MGI in respect of performance fee due as at 30 September 2019.

6. Other expenses

	31 March 2020 £'000	31 March 2019 £'000
Directors' fees	104	94
Directors expenses	1	-
Administration fee	57	30
AIFM fee	64	16
Auditor's remuneration for:		
– audit fees	35	33
– non-audit fees	35	23
Secretarial fees	18	14
Printing fees	27	6
Registrars' fees	11	7
Listing fees	5	7
FCA fees	3	3
Legal fees	282	9
Professional fees	326	–
Depositary fees	15	32
Directors' liability insurance	15	4
Sundry	41	2
	1,039	280

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the 6 month period ended 31 March 2020

7. (Losses)/gains per Ordinary Share

	31 March 2020		31 March 2019	
	Net return £'000	Per share pence	Net return £'000	Per share pence
Revenue return	(1,862)	(0.55)	(391)	(0.39)
Capital return	(13,896)	(4.13)	9,945	9.95
At 31 March	**(15,758)**	**(4.68)**	**9,554**	**9.56**
Weighted average number of Ordinary Shares		336,742,424		100,000,000

8. Dividends

The Board has not declared an interim dividend.

9. Investments held at fair value through profit or loss

	31 March 2020 £'000	30 September 2019 £'000
Opening book cost	157,591	–
Opening investment holding gains	12,449	–
Opening valuation	170,040	–
Movements in the period:		
Purchases at cost	130,129	157,591
Movement in unrealised (losses) / gains during the period	(14,007)	12,449
Closing valuation	286,162	170,040

9. Investments held at fair value through profit or loss (continued)

	31 March 2020 £'000	30 September 2019 £'000
Closing book cost	287,720	157,591
Closing investment holding (losses) / gains	(1,558)	12,449
Closing valuation	286,162	170,040
Movement in unrealised gains during the period	3,426	20,566
Movement in unrealised losses during the period	(17,433)	(8,117)
	(14,007)	12,449

10. Share capital

	No of shares	£'000
Ordinary Shares at no par value		
At 1 3 September 2018	–	–
Issue of Management Shares	1	–
Issue of shares	100,000,000	100,000
Issue costs	–	(1,144)
Issue of shares	90,909,091	100,000
Issue costs	–	(1,152)
Issue of shares	145,833,333	175,000
Issue costs	–	(2,338)
Redemption of Management Shares	(1)	–
At 30 September 2019	336,742,424	370,366
Issue costs	–	1
At 31 March 2020	336,742,424	370,367

The holders of Ordinary Shares have the right to receive notice of and attend, speak and vote in general meetings of the Company. They are also entitled to participate in any dividends and other distributions of the Company.

The Company was incorporated on 3 September 2018 with an issued share capital of £1 represented by 1 Management Share with a nominal value of £1. The Management Share was redeemed immediately following admission of the Ordinary Shares on 6 November 2018.

11. Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share and the Net Asset Value at the period end calculated in accordance with the Articles of Incorporation were as follows:

	31 March 2020		30 September 2019	
	NAV per share pence	NAV attributable £'000	NAV per share pence	NAV attributable £'000
Ordinary Shares: basic and diluted	108.65	365,873	113.33	381,630

The Net Asset Value per Ordinary Share is based on 336,742,424 Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

12. Financial instruments and capital disclosures

The Company's activities expose it to a variety of financial risks; market risk (including other price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The unaudited condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Audited Financial Statements as at 30 September 2019.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's-length basis.

12. Financial instruments and capital disclosures (continued)

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 2 inputs include the following:

- quoted prices for similar (i.e. not identical) assets in active markets;
- quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current;
- inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals); and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

At 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equity	–	–	286,162	286,162
	–	–	286,162	286,162

At 30 September 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equity	–	–	170,040	170,040
	–	–	170,040	170,040

12. Financial instruments and capital disclosures (continued)

The following table shows the valuation techniques used for level 3 fair values, as well as the significant unobservable inputs used for level 3 items:

Fair value as at 31 March 2020 (£'000)	Holding	Valuation technique	Unobservable inputs	Range	Sensitivity (%)	Sensitivity to changes in significant unobservable inputs
67,766	TransferWise Limited	Trading multiples	EV/LTM Revenue multiple	5.30x - 8.66x	10%	• If input multiples change by ± 10%, the value of Transferwise would change by an increase of £6,227,000 or decrease of £6,241,000
32,762	The Hut Group Limited	Trading multiples	EV/LTM Revenue multiple EV/EBITDA	2.52x - 20.68x	10%	• If input multiples change by ± 10%, the value of The Hut Group would change by ±1,863,000
32,741	Klarna Holding AB	Trading multiples / Benchmark performance	EV/LTM Revenue multiple	4.12 - 5.49x	10%	• If input multiples change by ± 10%, the value of Klarna would change by ±£2,613,000
18,402	Embark Group Limited	Trading multiples	EV/LTM Revenue multiple	2.21x	10%	• If input multiples change by ±10%, the value of Embark would change by ±£1,105,000

12. Financial instruments and capital disclosures (continued)

Fair value as at 31 March 2020 (£'000)	Holding	Valuation technique	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
51,336	Graphcore Limited	Benchmark performance	• Not applicable for this valuation method		
10,000	Sorted Holdings Limited	Benchmark performance	• Not applicable for this valuation method due to capital protection		
51,743	Starling Bank Limited	Benchmark performance	• Not applicable for this valuation method due to capital protection		
2,813	Growth Street Holdings	Wind-down	• Not applicable for this valuation method		
5,809	Secret Escapes Limited	Price of recent investment	• Not applicable for this valuation method		

12. Financial instruments and capital disclosures (continued)

The Company has an established control framework with respect to the measurement of fair values. This include a valuation team that has overall responsibility for overseeing all significant fair value measurement, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments If third party information, such as pricing services, is used to measure fair vales, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including to the level in the fair value hierarchy in which the valuation should be classified.

The following table shows a reconciliation of the opening balance to the closing balance for Level 3 fair values:

	31 March 2020 £'000	30 September 2019 £'000
Opening balance	170,040	–
Purchases	130,129	157,591
Total (losses) / gains included in net (losses) / gains on investments in the statement of comprehensive income		
– on assets held at period end	(14,007)	12,449
Closing balance	286,162	170,040

There have been no transfers between levels during the period.

Other than the impact of COVID-19 as noted in both the Investment Advisor's Report and Interim Management Report, there have been no significant changes in the management of risk or in any risk management policies since the last Statement of Financial Position date.

13. Related parties

MGI has been appointed as the Investment Advisor to the Company. The relationship is governed by an agreement dated 11 October 2018.

13. Related parties

The following balances were outstanding at the end of the year and transactions were entered into during the year:

	31 March 2020 £'000	30 September 2019 £'000	31 March 2019 £'000
Management fee charged by MGI:			
Total management fee charged	950	414	110
Management fee outstanding	950	182	110
Performance fee charged by MGI:			
Total performance fee charged	–	103	1,617
Performance fee outstanding	103	103	1,617
Directors' fees			
Total directors' fees charged	104	208	94
Directors' fees outstanding	–	52	–

As at 31 March 2020 the following Directors have holdings in the Company:

Director	Number of Ordinary Shares	% Ordinary Shares issue as at 31 March 2020
Andrew Haining	45,000	0.0134
Stephen Coe	45,909	0.0136
Simon Holden	67,500	0.0200
Anne Ewing	7,500	0.0022
Tim Cruttenden	9,090	0.0027

The following MGI's sub-funds hold an investment in the Company. The Board is notified at the quarterly board meetings about any transaction in relation to the sub-funds by MGI's risk and compliance
report.

Related party	Number of holdings during the period	Shares purchased during the period	Share sold during the period	Value of holdings 31 March 2020 £'000
Merian UK Smaller Companies Focus Fund	5,520,882	–	–	4,858
Merian UK Specialist Equity Fund	8,112,820	–	–	7,342
Merian UK Mid-Cap Fund	51,451,305	–	–	46,563
Merian UK Smaller Companies Fund	14,601,552	–	–	13,214
Total	**79,686,559**	**–**	**–**	**71,977**

13. Related parties (continued)

As announced at the time of the placing, our intention was to use approximately 50% of the proceeds of the capital raise to scale up exposure to a number of existing portfolio holdings. This was achieved via the acquisition of additional interests in those investments from the open-ended UK small and mid-cap equity funds managed by Merian Global Investors.

The Company acquired an additional follow-on investment, of £38.3m (£35m in October 2019 and £3.3m in November 2019) in Transferwise. In October 2019, the Company acquired an additional follow-on investment, of £20m, in The Hut Group and in December 2019, the Company acquired an additional follow-on investment, of £11.6m, in Graphcore.

14. Post balance sheet events

On 17 February 2020, Jupiter Fund Management plc announced its proposed acquisition of Merian Global Investors Limited ("Merian"), the ultimate parent company to Merian Global Investors (UK) Limited who is the Investment Advisor to Merian Chrysalis Investment Company Limited. The acquisition, which secured Jupiter shareholder approval on 21 May 2020 after the period end is, as of the date of this report, still subject to regulatory consents but that is expected to be received in the second half of 2020.

On 29 April 2020, the Company's follow on investment in Embark Group Limited (£12.2 million, as announced 27 November 2019) completed following regulatory approval.

On 11 May 2020 and 28 May 2020 respectively, the Company acquired additional shares in each of Secret Escapes Limited and Starling Bank Limited at a total cost of £7.6 million.

On 13 May 2020, the Company announced a £20.0 million investment as a part of a £30.0 million funding round conducted by Featurespace Limited, a machine intelligence based fraud detection software company.

On 29 May 2020, the Company acquired additional convertible loan notes in FinanceApp AG (Wefox) at a total cost of €5million.

The result of the above transactions means the Company is approximately 90% fully invested.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

Corporate Information

Directors
Andrew Haining, Chairman
Anne Ewing
Simon Holden
Stephen Coe (Senior Independent Director)*
Tim Cruttenden

Registered office
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Alternative Investment Fund Manager
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Essex, CM2 5PW

Investment Advisor
Merian Global Investors (UK) Limited
Millennium Bridge House
2 Lambeth Hill
London, EC4P 4WR

Financial Advisor and Corporate Broker
Liberum Capital Limited
Ropemaker Place Level 12
25 Ropemaker Street
London, EC2Y 9LY

Administrator and Company Secretary
Maitland Administration (Guernsey) Limited
3rd Floor
1 Le Truchot
St Peter Port
Guernsey, GY1 1WD

Registrar
Computershare Investor Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey, GY1 1DB

* Appointed SID on 14 January 2020

Corporate Information (continued)

Depositary
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Guernsey Legal Advisor to the Company
Ogier (Guernsey) LLP
Redwood House
St Julian's Avenue
St Peter Port, GY1 1AW

Independent Auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey, GY1 1WR

Definitions

DISCOUNT / PREMIUM

The amount by which the market price per share of an investment company is lower or higher than its net asset value per share. The discount or premium is normally expressed as a percentage of the net asset value per share.

NET ASSET VALUE (NAV)

The Net Asset Value (NAV) is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes.

NAV PER SHARE

Net Asset Value expressed as an amount per share.