

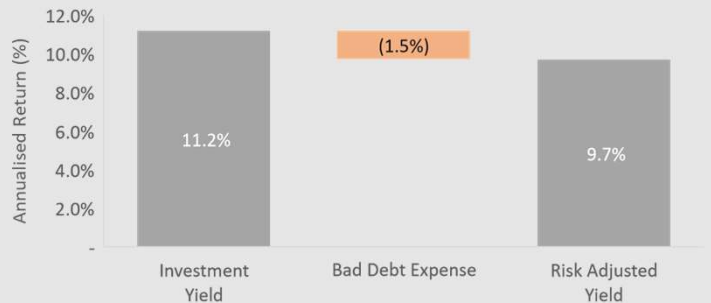
Honeycomb Investment Trust plc

Investment Returns

The Company delivered strong results in March generating 8.1% NAV return per share on an annualised basis, which is 0.67% for the month. This brings the year to date return to 1.81% or 27.0% since inception.

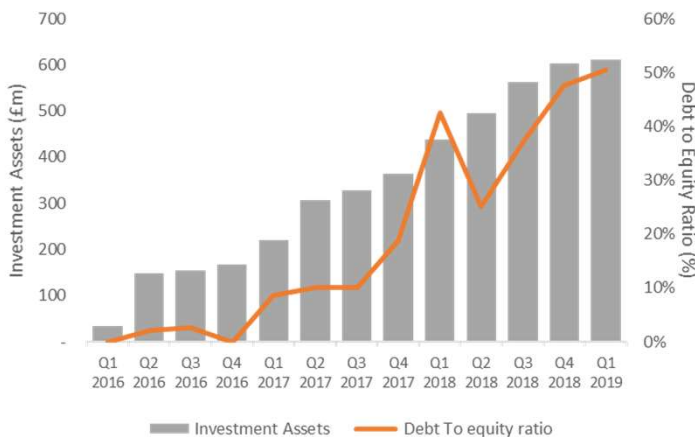
The underlying portfolio performance for March remained strong with income yield of 11.2%, bad debt expense of 1.5% and risk adjusted yield of 9.7%. The effect of expenses & leverage were modest, resulting in a NAV return of 8.1%

March 2019 Investment Return Bridge¹



¹ Investment Yield calculated as March 2019 income over average credit assets in March 2019, annualised. Bad Debt Expense calculated as March 2019 impairments excluding the charge arising from IFRS 9 Stage 1 over average credit assets in March 2019, annualised.

Investment Asset Growth & Leverage



The Investment Manager continued to grow the asset base with investment assets increasing modestly from £603m at 31 December 2018 to £610m at 31 March 2019. Asset deployment has been predominately into Structured facilities, where the originator has first loss equity ahead of the Company's exposure.

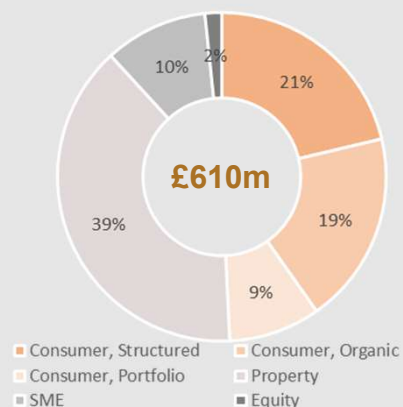
The Investment Manager has a strong pipeline of new opportunities with attractive risk adjusted returns. The Company established a 12 month placing programme in December 2018, allowing for further issuances of Ordinary Shares in accordance with authorities granted at its latest annual general meeting.

Asset Diversification

The Company's asset base is diversified across sectors. Consumer assets represent 49% of the portfolio; Property assets, 39%; SME assets, 10% and Equity assets 2%. Asset growth over the last quarter has been broadly consistent across all three sectors.

The Company's underlying credit exposure is to a diversified pool of circa 75,200 loans⁽¹⁾, with an average balance of circa £5k⁽²⁾.


79% of the Credit Assets benefit from credit enhancement either by structural seniority or seasoning. All Structured and Property assets benefit from structural seniority. The Portfolio assets benefit from seasoning prior to the acquisition by the Company.



Investment Assets are composed of Equity Assets and Credit Assets. The chart shows a stratification of Equity Assets and Credit Assets with the Credit Asset further stratified by sector (Consumer, Property & SME) and the Consumer sector further stratified by asset type (Structured, Organic & Portfolio). Structured assets are facilities where the originator retains the first loss. Portfolio assets are one-off purchases of pools of loans. Organic assets are arrangements with originators to continuously purchase loans

¹ The pool of circa 75,000 loans includes Structured assets as a single loan and therefore the Company benefits from additional diversification arising the collateral pools behind each Structured asset

² This excludes Equity Assets and Structure assets



Honeycomb Investment Trust plc

Background and Investment Objective

Honeycomb Investment Trust plc (the “Company”) is a specialist lending fund whose investment objective is to provide shareholders with an attractive level of dividend income and capital growth through the acquisition of interests in loans made to consumers and small business as well as other counterparties.

The Company may also make selected equity investments that align with the Company’s strategy, and that present opportunities to enhance the Company’s returns from its investments.

The Company believes that consumer, property and SME loans are asset classes that have the potential to provide attractive returns for investors on a risk-adjusted basis. Changes in the focus of mainstream lenders together with the implementation of new models that utilise data, analytics and technology more effectively, provide an opportunity to deliver better products to borrowers while generating attractive returns for the Company.

The Company and the Investment Manager seek to acquire credit assets which meet the specified underwriting criteria through three routes; (1) organically originate and acquire through referral partners which source opportunities; (2) acquiring seasoned portfolios; and (3) providing senior and mezzanine structured loans secured on portfolios of consumer, property and SME loans.

Investment Features

- Investment team has a combined 100+ years credit underwriting and consumer lending experience.
- Highly granular and well diversified portfolio.
- Majority of portfolio benefiting from downside protection or seasoning.
- 8% targeted dividend on issue price when fully invested and leverage applied, payable quarterly.
- UK Investment Trust tax treatment.

Key Details


Net Assets (Cum Income)	£400.1m
Net Assets (Ex Income)	£393.8m
Monthly Total NAV Return	0.67%
YTD Total NAV Return	1.81%
ITD* Total NAV Return	26.98%
Debt to Equity	50.5%
Shares in Issue	39,449,919
Share Price	1,130.0p
Market Capitalisation	£445.78m
NAV per Share (Cum Income)	1,014.1p
NAV per Share (Ex Income)	998.2p
Premium / (Discount) to NAV (Cum Income)	11.4%

*ITD: Inception to Date – excludes IPO Issue Costs

Fund Facts

Type of Fund	Closed – Ended Fund
Listing	Specialist Fund Segment of the London Stock Exchange
Ticker	HONY
ISIN	GB00BYZV3G25
Inception Date	23 December 2015
Dividend	Quarterly
NAV Calculation	As of last day of each month
Management Fee	1%
Performance Fee*	10%

*subject to 5% preferred return hurdle and high watermark

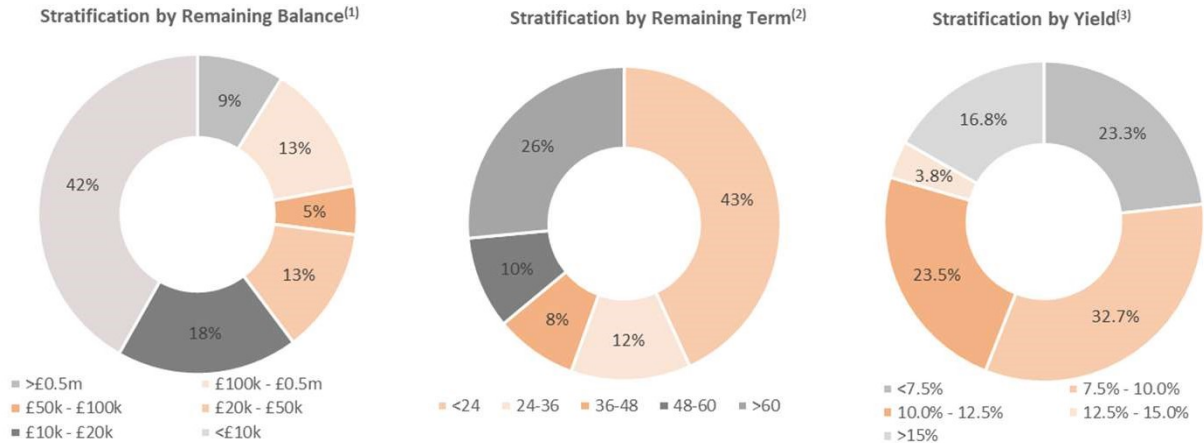


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Portfolio Statistics

Number of Loans	Average Balance ⁽¹⁾	Interest Rate ⁽²⁾	Average Remaining Contractual Term (months) ⁽²⁾	Structural or Seasoning Protection
c75,200	c£5k	11.4%	53	78.6%

Stratification of Gross Outstanding Balances



⁽¹⁾ Gross outstanding balance, excluding Equity Assets and Structured assets, stratified by the remaining balance of each loan

⁽²⁾ Gross outstanding balance, excluding Equity Assets, stratified by the remaining term of each loan

⁽³⁾ Gross outstanding balance, excluding Equity Assets, stratified by the headline interest rate of each loan

Performance and Dividend History

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD*	
Total NAV Return IAS 39	2016	0.04%	0.13%	0.19%	0.92%	0.60%	0.79%	0.68%	0.70%	0.88%	0.89%	0.92%	0.94%	7.85%	7.83%
Total NAV Return IAS 39	2017	0.69%	0.69%	0.78%	0.62%	180% ⁽¹⁾	0.55%	0.65%	0.62%	0.63%	0.61%	0.61%	0.79%	9.11%	17.24%
Total NAV Return IFRS 9	2018	0.66%	0.59%	0.72%	136% ⁽³⁾	0.56%	0.60%	0.63%	0.67%	0.67%	0.67%	0.65%	0.60%	8.43%	25.12%
Total NAV Return IFRS 9	2019	0.58%	0.54%	0.67%										1.81%	26.98% ⁽²⁾
Share Price Performance**	2016	150%	-	-	-	-	-	-	-	-	-	-	0.54%	2.05%	2.05%
Share Price Performance**	2017	3.92%	3.72%	0.45%	181%	(0.89%)	4.93%	2.78%	0.42%	(124%)	(0.84%)	(0.63%)	(149%)	13.42%	15.75%
Share Price Performance**	2018	(194%)	-	-	(176%)	-	-	0.90%	-	0.89%	(0.44%)	-	-	(2.38%)	13.00%
Share Price Performance**	2019	-	-	-										-	13.00%
Dividend Per Share (Pence)***	2016	-	-	-	-	2.11	-	-	-	19.66	-	23.13	-	44.90	44.90
Dividend Per Share (Pence)***	2017	-	-	23.5	-	24.50****	-	-	-	20.00	-	20.00	-	88.00	132.90
Dividend Per Share (Pence)***	2018	-	-	20.00	20.00	-	-	-	-	20.00	-	20.00	-	80.00	212.90
Dividend Per Share (Pence)***	2019	-	-	20.00										20.00	232.90

* ITD: Inception to Date – excludes IPO Issue Costs

** Based on IPO Issue Price of 1000p

*** Recognised in the month when marked ex-dividend

**** Based upon the number of shares at the ex-dividend date

⁽¹⁾ NAV return excluding effect of capital raise and issuance at a premium would have been 0.77%

⁽²⁾ Inception to date NAV return affected by IFRS 9 initial recognition on 2018 bought forward retained earnings

⁽³⁾ NAV return excluding effect of capital raise and issuance at a premium would have been 0.63%



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Glossary

“**NAV (Cum Income)**” will include all income not yet moved to reserves (both revenue and capital income), less the value of (i) any dividends paid in respect of that income and (ii) any dividends in respect of that income which have been declared and marked ex dividend but not yet paid.

“**NAV (Ex Income)**” will be the NAV (Cum-Income) excluding net income (both revenue and capital income) that is yet to be transferred to reserves as described below. For this purpose net income will comprise all income not yet moved to reserves (both revenue and capital income), less the value of (i) any dividends paid in respect of that income and (ii) any dividends in respect of that income which have been declared and marked ex dividend but not yet paid.

Any income in respect of a financial year, which is intended to remain undistributed will be moved to reserves on the first business day of the immediately following year, meaning that each figure for NAV (Ex-Income) reported during a financial year will equate to the NAV (Cum-Income) less undistributed income which has not been moved to reserves.

“**Share Price**” closing mid-market share price at month end (excluding dividends reinvested).

“**Premium / (Discount)**” the amount by which the price per share of an investment trust is either higher (at a premium) or lower (at a discount) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

“**Net Assets**” total assets minus any liabilities.

“**Market Capitalisation**” the closing mid-market share price multiplied by the number of shares outstanding at month end.

“**Total NAV Return**” is calculated as NAV (Cum Income) at the end of the period, plus dividends declared during the period, divided by NAV (Cum Income) calculated on a per share basis at the start of the period.