

**SHINING A LIGHT ON THE.....  
ASI Global Smaller Companies Fund**

**AT A GLANCE**

<b>Investment Objective</b>
To generate growth over the long term (5 years or more) by investing in Global small-capitalisation equities (company shares). The fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.

<b>Inception Date</b>	19 <sup>th</sup> January 2012
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000NMQA">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000NMQA</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Kirsty Desson	25 <sup>th</sup> February 2020
Harry Nimmo	25 <sup>th</sup> June 2020

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 28<sup>th</sup> February 2021:

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>ASI Global Smaller Companies Fund</b>	25.54%	24.85%	-5.45%	17.71%	32.01%	-1.40%
<b>FTSE World ex UK</b>	30.42%	13.45%	-2.68%	23.10%	14.15%	-0.69%

Performance over 12 months, 3 years, 5 years and since launch:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Since launch</b>
<b>ASI Global Smaller Companies Fund</b>	41.51%	41.62%	128.76%	266.81%
<b>FTSE World ex UK</b>	20.01%	36.31%	102.99%	209.56%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

<b>Tracking Error</b>	<b>Active Share</b>	<b>Upside Capture Ratio</b>	<b>Downside Capture Ratio</b>	<b>Batting Average</b>	<b>Beta</b>	<b>Alpha</b>	<b>Equity Style</b>
10.12	-	108.13	92.53	55.56	0.95	4.49	Growth/Mid

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Volatility Measurements	
3-Yr Std Dev (volatility)	20.24%
3-Yr Mean Return (average)	12.30%

Investment Style Details	
Giant	0.00%
Large	4.36%
Medium	76.26%
Small	15.23%
Micro	0.00%

Top 5 Holdings – 48 Equity Holdings		
Generac Holdings Inc	Industrials	4.33%
Aberdeen Standard Liqdy (Lux) S...	-	4.26%
Kornit Digital Ltd	Industrials	4.04%
Insulet Corp	Healthcare	3.42%
Axon Enterprise Inc	Industrials	3.37%

Top 5 Sectors	
Industrials	32.53%
Technology	20.99%
Healthcare	13.78%
Consumer Cyclical	13.04%
Consumer Defensive	6.02%

Top 5 Regions	
United States	50.82%
United Kingdom	10.19%
Japan	8.79%
Taiwan	6.08%
Italy	5.11%

## UPDATE....

This was a brief update from the management team. We have reviewed in the past and more details will be contained in those reviews. One of the key changes is that lead manager (Alan Rowsell), has left and set up a similar strategy at Premier Miton. At the same time Harry Nimmo, who has recently stepped down as Head of Smaller Companies at ASI (although still managing funds) has re-joined as co-manager on this strategy, a strategy that he co-managed previously but handed over to Alan Rowsell. We have reviewed the Premier Miton strategy as well.

It is worth noting two things. Firstly, this is not a small companies fund but a smaller companies strategy. This is important because effectively, if someone is expecting to invest at the lower end of the market cap then this is not the fund for them. The other point to note is that this has been through a period of underperformance. They attribute this to the style being out of favour, but we also remain concerned about the size of the strategy. Having said that the performance has come back over the last 12 months.

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The strategy is an extension of the smaller companies' franchise that ASI have run for many years. They believe over time the companies they invest in will outperform large caps. But they aim to provide access to this part of the market with lower levels of risk through downside protection and keeping pace in rising markets.

The three main pillars of the strategy are quality, growth, and momentum.

In terms of quality, they are not looking for blue sky ideas or highly indebted businesses; they are looking for companies with strong balance sheets, competitive advantage etc.

For growth, they are looking for companies with, for example, sustainable growth and expanding margins.

In terms of momentum, they look to run their winners and look to have the flexibility to hold onto the companies as long as they can.

Some of the themes they are covering include outsourcing, data analytics, cloud computing, demographics, lifestyle, software as a service, green initiatives, and digitisation.

In summary, we would normally be concerned where a manager has left, however, in this case there are fewer concerns. The process hasn't changed, and the idea generation comes from the matrix which ASI have developed over many years. The fact that Harry Nimmo has come back on board is also important. The fund has had a period of underperformance, but it seems that they are looking to turn this around. The question is whether the size of the strategy is hindering performance or whether it is style.

*The source of information in this note has been provided by ASI and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*