

**SHINING A LIGHT ON THE.....
Slater Growth Fund**

AT A GLANCE

| Investment Objective |
|--|
| The investment objective of the Scheme is to achieve capital growth. The Scheme will invest in companies both in the UK and overseas but concentrating mainly on UK shares. The Scheme will focus in particular on shares which the Manager believes are currently under-valued and that have the potential of a significant re rating. Other investments including bonds, warrants, deposits and collective investment Schemes may be used where it is considered that they meet the investment objective. It is also intended where appropriate to take advantage of underwritings and placings. At times it may be appropriate for the Scheme not to be fully invested but to hold cash and near cash. The Scheme may invest in derivatives and forward transactions but only for hedging purposes. |

| Inception Date | 30 March 2005 |
|---------------------|---|
| Fund Factsheet Link | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000PBF3 |

| Management | |
|--------------|-----------------------------|
| Manager Name | Start Date |
| Mark Slater | 30 th March 2005 |

FUND PERFORMANCE

Performance from 1st January 2016 to 28th February 2022:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|--------|--------|---------|--------|--------|--------|---------|
| Slater Growth Fund | -3.08% | 27.21% | -14.14% | 37.58% | 9.22% | 28.21% | -10.56% |
| IA UK All Companies Sector | 16.75% | 14.05% | -11.15% | 22.37% | -6.17% | 17.14% | -6.45% |

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

| | 1 year | 3 years | 5 years | Since launch |
|-----------------------------------|--------|---------|---------|--------------|
| Slater Growth Fund | 9.22% | 63.58% | 81.55% | 720.65% |
| IA UK All Companies Sector | 7.54% | 17.44% | 23.76% | 197.17% |

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.

LWM Consultants Ltd

| Tracking Error | Information Ratio | Active Share | Upside Capture Ratio | Downside Capture Ratio | Batting Average | Beta | Alpha | Equity Style |
|----------------|-------------------|--------------|----------------------|------------------------|-----------------|------|-------|----------------|
| 10.37 | 1.19 | 96.25 | 90.43 | 63.76 | 61.11 | 0.70 | 8.19 | Small / Growth |

| Volatility Measurements | |
|----------------------------|--------|
| 3-Yr Std Dev (volatility) | 18.51% |
| 3-Yr Mean Return (average) | 17.83% |

| Investment Style Details | |
|--------------------------|--------|
| Giant | 1.39% |
| Large | 13.42% |
| Medium | 11.28% |
| Small | 50.33% |
| Micro | 23.58% |

| Top 5 Holdings – 58 Equity Holdings | | |
|-------------------------------------|------------------------|-------|
| Future PLC | Communication Services | 8.99% |
| Tesco PLC | Consumer Defensive | 5.86% |
| Clinigen Group PLC | Healthcare | 5.44% |
| Prudential PLC | Financial Services | 5.40% |
| Serco Group PLC | Industrials | 5.02% |

| Top 5 Sectors | |
|------------------------|--------|
| Communication Services | 21.26% |
| Financial Services | 18.90% |
| Industrials | 18.65% |
| Technology | 13.25% |
| Healthcare | 12.55% |

UPDATE....

This is a new strategy for us although it has been around since 2005 and delivered strong returns during this period. It is an unconstrained strategy, so the holdings look very different to the benchmark. They focus on growth, but price is very important. Effectively they believe the terms “growth” and “value” are meaningless. They are looking for companies where there are tailwinds for growth, and they overlay strong value filters.

ESG is at the start of the process as they screen out companies, then they look at how profits are converted in to cash, the management of the company and how engagement is seen. They want to show conviction but are mindful of liquidity. So, starting levels are around 1% for the smallest companies and 3% for the largest companies.

Some of the larger holdings have done well for the fund, including Future, Next 15, Liontrust, TC, CVS Group and Tesco. They have had a busy period of moving around holdings, adding 16 names in 2021 and removing 13. This included 4 IPOs. They sold Jet2 which was a relatively new holding as the re-rating was quicker than they expected, and this has enabled them to invest into other areas.

LWM Consultants Ltd

This year has been challenging and those shares that have gone up a lot have pulled back. They have used cash to add to holdings as opportunities arise. Future is an example where it is down about a third of its peak valuation. So, this period is enabling them to pick up great opportunities at much lower prices. Another company, which they did not share the name of, is down 75% and they have been adding to this.

They are very positive about the fund and they believe there is plenty of momentum behind the strategy. It is a difficult environment but with that comes opportunities. They don't exclude companies but they like capital light businesses and those that are growing and use cash in the right way. That by its nature excludes certain businesses.

In summary, as a first introduction this seems an interesting strategy and one we would be happy to add to our watch list to understand more about the fund and the fund management group. The idea of not investing at any price is important as this always provides downside protection, as overpaying leaves investors more vulnerable at times like this.

The source of information in this note has been provided by Slater and is correct as of March 2022. 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.