

**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 30th September 2022:

	2016	2017	2018	2019	2020	2021	2022
Slater Growth Fund	-3.08%	27.21%	-14.14%	37.58%	9.22%	28.21%	-29.31%
IA UK All Companies Sector	16.75%	14.05%	-11.15%	22.37%	-6.17%	17.14%	-17.18%

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

	1 year	3 years	5 years	Since launch
Slater Growth Fund	-27.90%	14.04%	30.52%	582.39%
IA UK All Companies Sector	-15.41%	-2.54%	2.96%	163.08%

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.

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Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
9.73	0.55	96.25	88.48	87.11	52.78	0.75	0.70	Small / Growth

Volatility Measurements	
3-Yr Std Dev (volatility)	20.18%
3-Yr Mean Return (average)	4.48%

Investment Style Details	
Giant	1.57%
Large	10.67%
Medium	16.12%
Small	41.23%
Micro	30.41%

Top 5 Holdings – 58 Equity Holdings		
Serco Group PLC	Industrials	8.93%
Tesco PLC	Consumer Defensive	5.61%
Kape Technologies PLC	Technology	5.48%
Future PLC	Communication Services	5.40%
Prudential PLC	Financial Services	5.34%

Top 5 Sectors	
Industrials	22.72%
Financial Services	18.60%
Communication Services	17.97%
Technology	16.53%
Healthcare	7.80%

Fund Benchmark	IA UK All Companies Sector
Fund size (Mil)	GBP 982.71
Ongoing Charge	0.76%

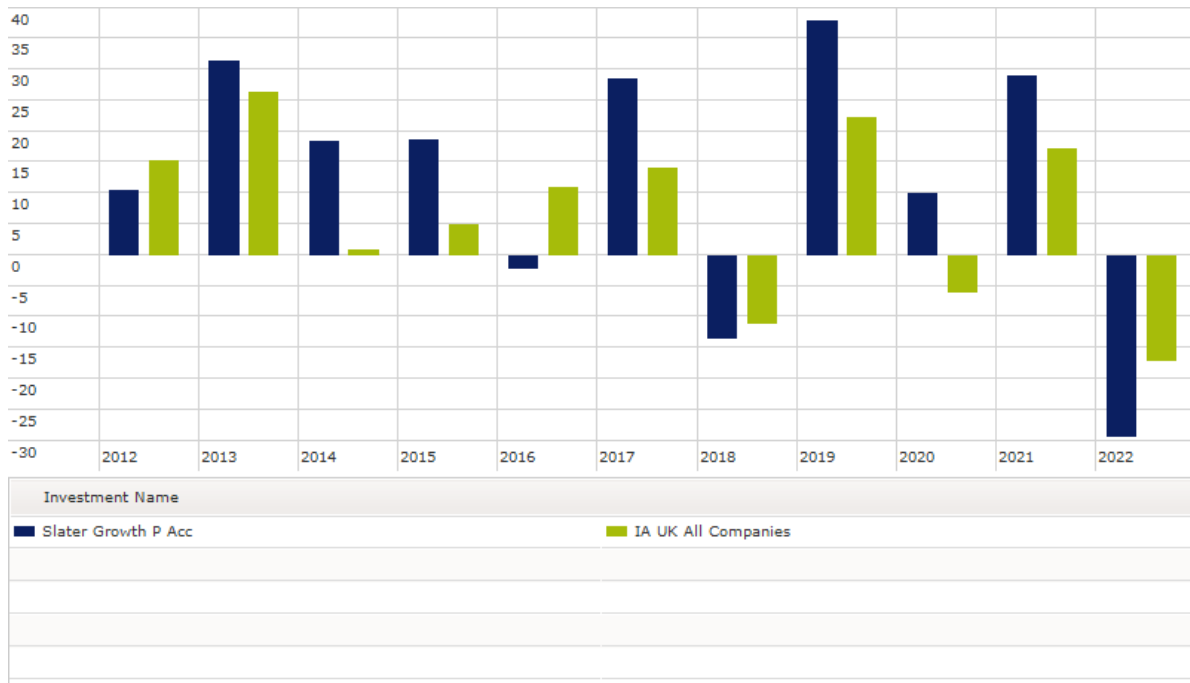
Bull points (pros)	Bear points (cons)
<ul style="list-style-type: none"> Unconstrained actively managed all-cap UK strategy Looking to invest in the top-5% of UK companies Blended approach of growth and value 	<ul style="list-style-type: none"> Currently tilted towards small and mid-cap which has hindered performance UK unloved and therefore catalyst for change is unknown

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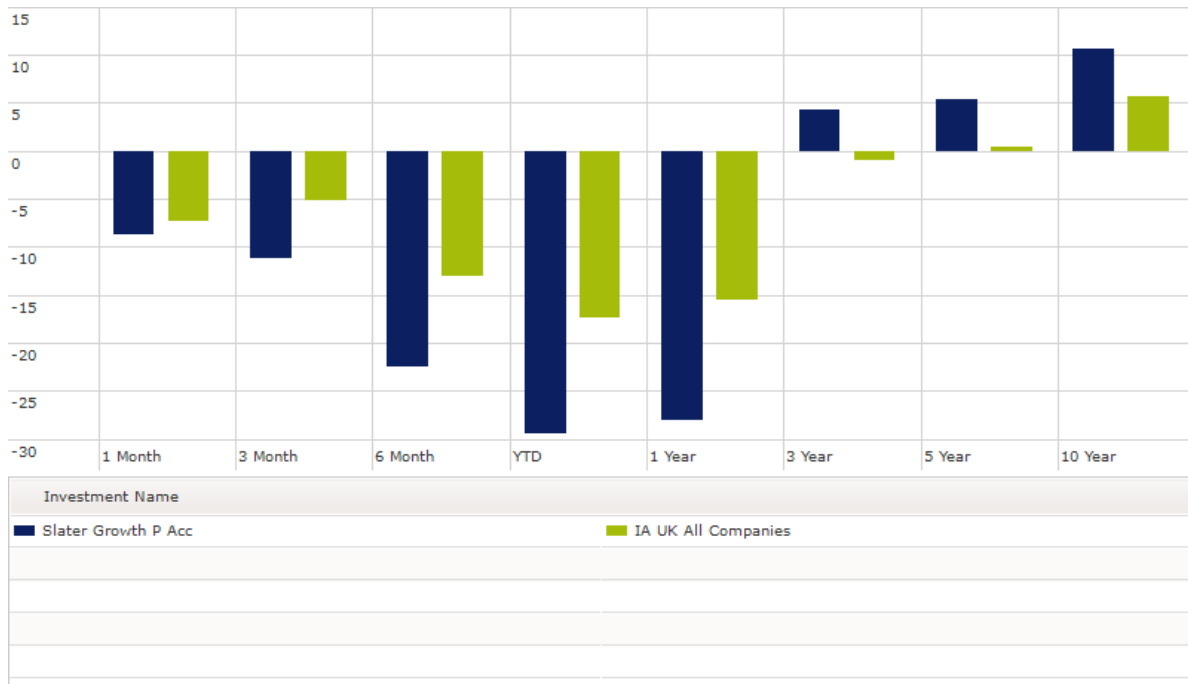
UPDATE....

This is the second time we have spoken to the management. This is an unconstrained strategy looking to invest in the very best companies. They will only invest in those companies that are growing but equally they have a cap on the P/E at entry which is 20x earnings. In terms of liquidity, this fund does currently have a leaning towards small and mid-cap. They tend to reflect the percentage investment based on the size of the company. So a small cap company would normally start at around 1% and then build from that point.

Where this is different is the blend between high quality growth businesses with a strict valuation discipline. This approach has ensured strong returns since the strategy was launched.



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The fund has invested in as few as 33 companies and as high as 63, but normally it hovers around 50. They see themselves as long term holders and therefore there shouldn't be a great deal of change within the holdings.

Various factors have impacted the performance this year. This includes inflation, interest rates, supply chain disruption and recession. The market sell-off has been indiscriminate with little focus on the quality of the underlying holdings. This has seen companies such as Future, Next 15, Marlow, Revolver and IWG see their share price significantly decline. They remain comfortable with these holdings, as the businesses continue to grow.

An area they see opportunities in is leisure. The assumption is that if a recession comes, everything to do with leisure is impacted, but the reality is that people do things differently. The funds have holdings in two bowling companies and in terms of eating out, they hold Lounges who have hedged energy costs two years out and are much better positioned than other similar businesses.

They have around 12% in cash and have been adding to existing holdings based on current valuations. They have a small amount of holdings where the market has impacted the profit levels; these are asset managers (Liontrust and Premier). They don't want to sell these because the valuation has come down so much.

In terms of recent performance, the skew towards small and mid-cap has meant this has been weak over the short-term. Across the fund, valuations have come down significantly and yet these remain good solid businesses. They have seen bad markets before and they don't change their style to chase returns.

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We discussed about how valuations improve, and that really will be down to a change of sentiment. At the moment it feels that most people have given up on the UK, and yet the UK offers great opportunities for investors. As a long-term investment the team see this now offers investors a great opportunity.

In summary, this is a well-managed fund investing across the UK market in the very best companies. Sentiment towards the UK is such that it is significantly unloved, and therefore this presents opportunities. Where the strategy is different to others is the blend between focusing on growing companies with a valuation discipline.

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