

Slater Growth Fund – August 2023

LWM FUND SPOTLIGHT SLATER GROWTH FUND

INVESTMENT OBJECTIVE

The investment objective of the fund is to achieve capital growth. The fund will invest in companies both in the UK and overseas but concentrating mainly on UK shares. The fund 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.

INCEPTION DATE

30th March 2005

FUND FACTSHEET

<https://www.trustnet.com/factsheets/o/wx98/slater-growth-a-acc>

MANAGEMENT

Manager Name

Start Date

Mark Slater

30th March 2005

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-4.92	0.82	-34.63	9.95	-8.08	76	80	7.05

OTHER DATA

Benchmark	Vanguard FTSE All Share
Fund Size	GBP 831.86 (Mil)
Fees	1.57% (A Share Class)

BULL POINTS (PRO)

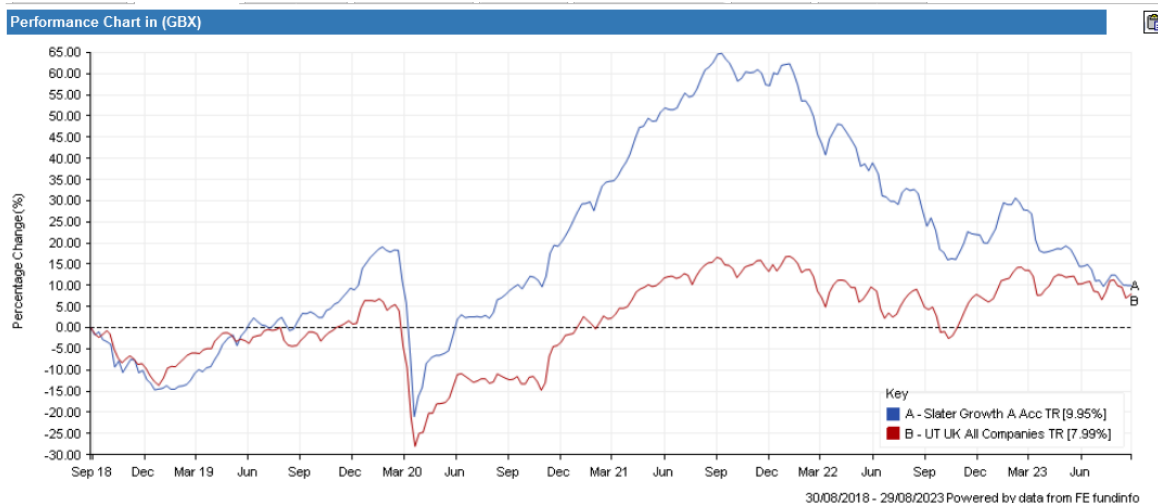
- Unconstrained actively managed all-cap UK strategy.
- Looking to invest in the top-5% of UK companies.
- Blended approach of growth and value.

BEAR POINTS (CONS)

- Currently tilted towards small and mid-cap which has hindered performance.
- UK unloved and therefore catalyst for change is unknown.

Slater Growth Fund – August 2023

FUND PERFORMANCE



Cumulative Performance (GBX)

	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-3.32%	-14.06%	-14.46%	1.38%	9.94%
Sector	-1.74%	-4.67%	1.01%	22.59%	7.39%
Relative to Sector	-1.61%	-9.85%	-15.32%	-17.30%	2.38%
Rank in Sector *	196 / 241	237 / 241	235 / 238	193 / 223	70 / 210
Fund Quartile *	4	4	4	4	2

Discrete Annual Performance to Last Quarter End (GBX)

	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	-14.16%	-15.55%	48.99%	2.68%	-1.60%
Sector	6.39%	-7.94%	27.07%	-11.13%	-1.93%
Relative to Sector	-19.31%	-8.26%	17.26%	15.54%	0.33%
Rank in Sector *	235 / 238	169 / 232	13 / 221	12 / 214	113 / 210
Fund Quartile *	4	3	1	1	3

Performance by Calendar Year in (GBX)

	YTD	2022	2021	2020	2019
Fund	-9.86%	-25.51%	28.21%	9.22%	37.58%
Sector	1.22%	-8.49%	17.16%	-6.26%	21.80%
Relative to Sector	-10.95%	-18.60%	9.43%	16.51%	12.95%
Rank in Sector *	235 / 238	218 / 235	7 / 227	12 / 218	7 / 213
Fund Quartile *	4	4	1	1	1

Fund Price Movement (GBX)

12 Month High	706.16 (Pence)	12 Month Low	570.80 (Pence)
---------------	----------------	--------------	----------------

Annualised Ratios Over 36 Months

	Alpha	Beta	Sharpe	r ²	Volatility
Fund	-4.75	0.95	0.00	0.76	15.40
Fund Quartile *	4	3	4	4	3

*Ranks & quartiles shown are for the primary share class Slater Growth P Acc

Please 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.

Top 10 Holdings as at July 31, 2023

Rank	Change	Name	%	Sector Ranking ^a
1	►	SERCO GROUP PLC	9.09	n/a
2	►	PRUDENTIAL PLC	6.85	n/a
3	►	TESCO CORP	4.02	n/a
4	►	CVS GROUP PLC	3.83	n/a
5	►	JTC PLC	3.67	n/a
6	►	FUTURE PLC	3.62	n/a
7	►	NEXT 15 GROUP PLC	3.59	n/a
8	►	FORESIGHT FINANCIAL GROUP INC	3.22	n/a
9	►	MARLOWE PLC	2.71	n/a
10	►	ALLIANCE PHARMA	2.30	n/a
Total			42.90	

^a This is the holding ranking within the fund sector composite portfolio (calculated from all available concurrent full portfolios of funds within the sector).

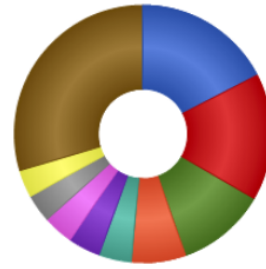
▼ Faller ▲ Riser ► No Change ■ New Entry



Slater Growth Fund – August 2023

Sector Weightings as at July 31, 2023

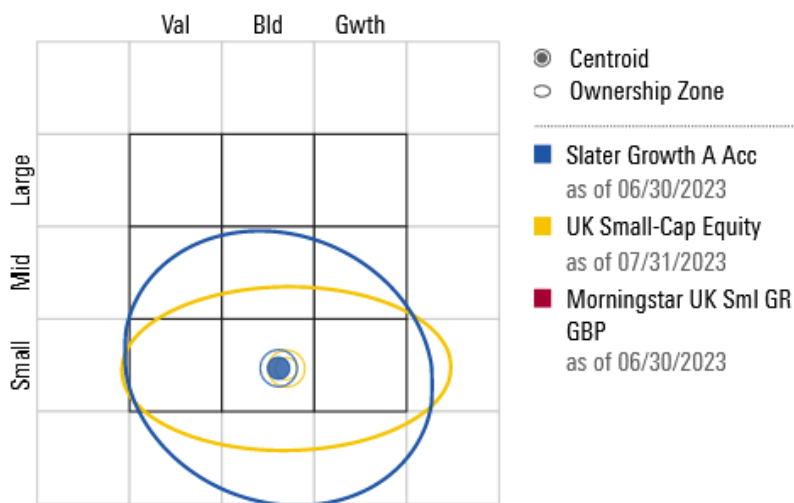
Rank	Change	Name	%
1	▲	TELECOM, MEDIA & TECHNOLOGY	17.45
2	▼	SERVICES	15.91
3	▶	FINANCIAL SERVICES	11.25
4	▶	INSURANCE	6.85
5	▲	PHARMACEUTICALS	4.11
6	▼	DISTRIBUTORS	4.02
7	▶	HOSPITAL	3.83
8	▲	LEISURE	3.53
9	▼	LEISURE - PROPERTY	3.45
10	▶	OTHERS	29.60



▼ Faller ▲ Riser ▶ No Change ■ New Entry

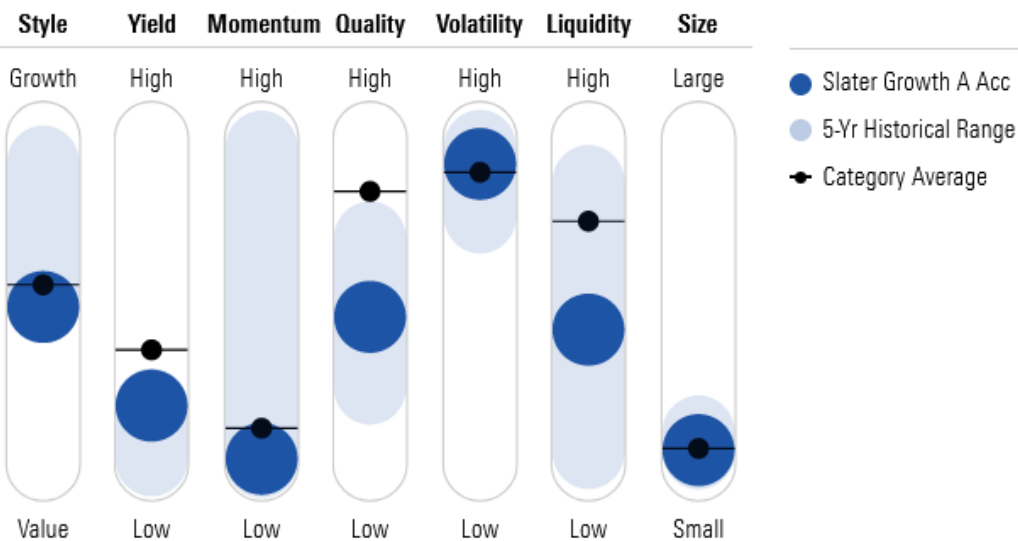
Stock Style

Map Weight Historical



Factor Profile

1-Yr 3-Yr 5-Yr vs. Category



Investment as of 30 Jun 2023 | Category: UK Small-Cap Equity as of 30 Jun 2023

Slater Growth Fund – August 2023

Style Measures

Measures

Market Cap

Avg Market Cap
794.81 Mil

Category Avg Market Cap
811.35 Mil

Index Avg Market Cap
1.61 Bil

Size	Investment %	Cat. Average %	Index %
Giant	0.00	0.67	0.00
Large	13.26	1.63	1.51
Mid	2.35	8.02	11.83
Small	42.94	62.69	80.43
Micro	41.45	24.22	1.16

GBP | Investment as of 30 Jun 2023 | Category: UK Small-Cap Equity as of 31 Jul 2023 | Index: Morningstar UK Sml GR GBP as of 30 Jun 2023 | Data is based on the long position of the equity holdings.

Style Measures

Measures

Market Cap

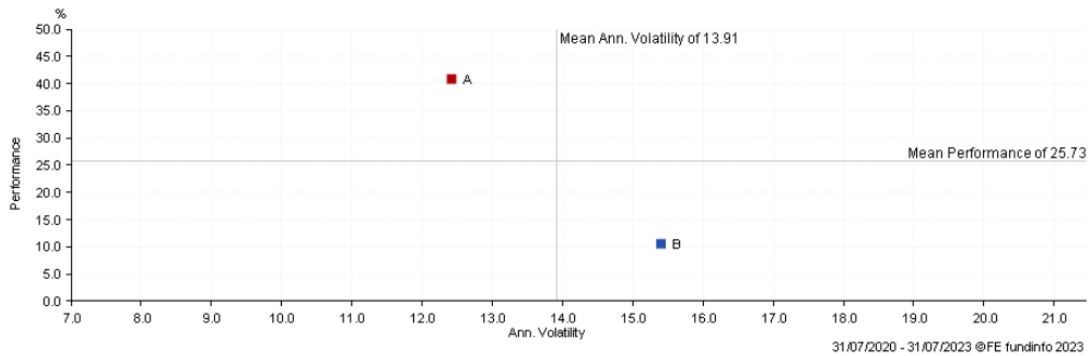
Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	10.62	12.13	11.68
Price/Book	1.44	1.61	1.41
Price/Sales	0.74	0.85	0.80
Price/Cash Flow	5.37	6.10	6.15
Dividend Yield %	3.32	3.79	3.54
Long-Term Earnings %	16.62	12.33	13.91
Historical Earnings %	20.28	15.50	16.73
Sales Growth %	5.45	7.67	3.20
Cash-Flow Growth %	12.72	2.69	-3.21
Book-Value Growth %	8.73	10.31	2.33

Investment as of 30 Jun 2023 | Category: UK Small-Cap Equity as of 31 Jul 2023 | Index: Morningstar UK Sml GR GBP as of 30 Jun 2023 | Data is based on the long position of the equity holdings.

Slater Growth Fund – August 2023

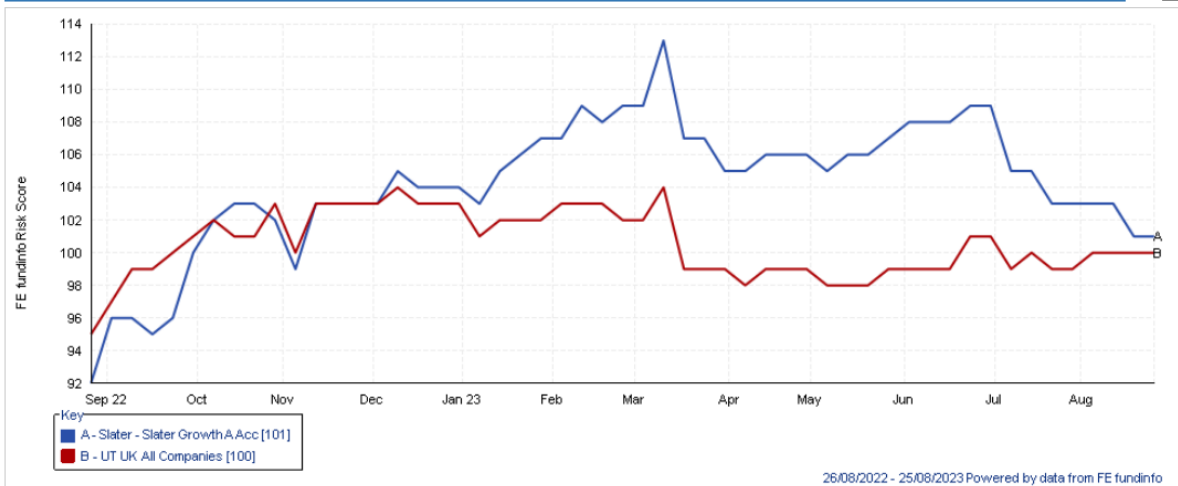
Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Performance	Annualised Volatility
A	Vanguard - FTSE U.K. All Share Index Unit Trust A Acc GBP in GB	40.88	12.42
B	Slater - Growth A Acc in GB	10.58	15.40

FE fundinfo Risk Score Chart Over 1 Year



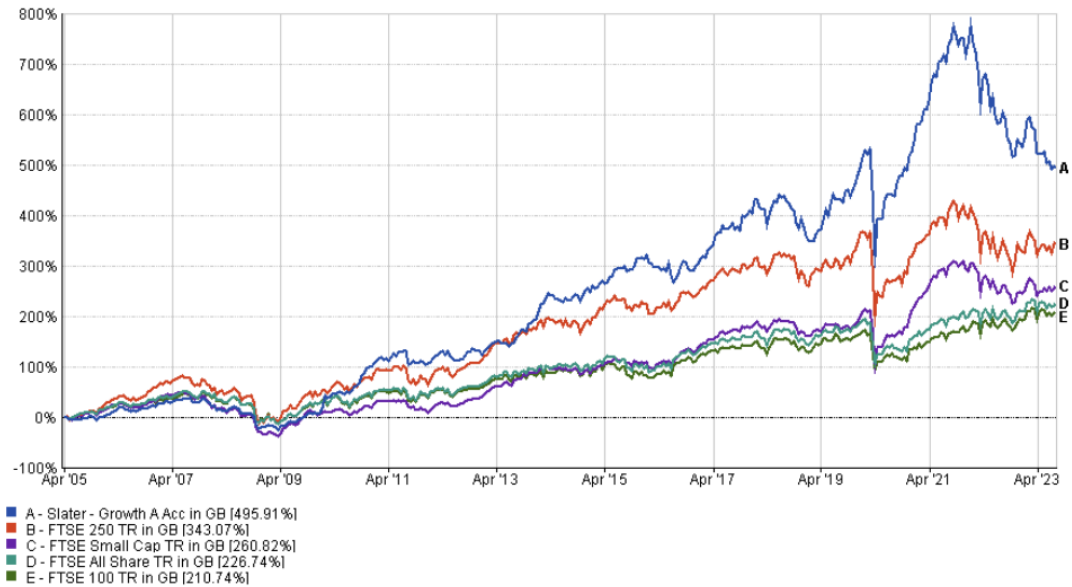
26/08/2022 - 25/08/2023 Powered by data from FE fundinfo

Slater Growth Fund – August 2023

LWM FUND ANALYSIS

Since launch the fund has delivered a fantastic performance, outperforming the main indices in the UK.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



30/03/2005 - 31/07/2023 Data from FE fundinfo2023

The strategy focuses on the very best companies and adopts an unconstrained approach, meaning that it will seek companies from across the UK stock market. Saying this, it is currently skewed more towards small and medium sized businesses. The strategy has a quality overlay, seeking companies that are growing but are not overpriced.

In the recent term the performance of the strategy has struggled.

Slater Growth Fund – August 2023

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



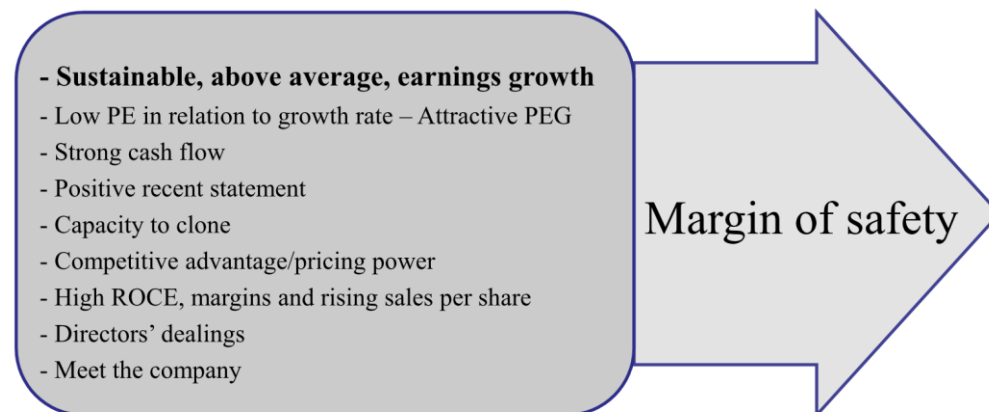
31/07/2020 - 31/07/2023 Data from FE fundinfo2023

The strategy is a blended approach and many of the holdings have de-rated more than they would have expected.

Some examples of holdings include Serco which is trading at 10x earnings and growing at between 10 to 15% p.a. Next15 is growing at 10% p.a. but trading at 7.5x earnings. The team have not seen this level of low price to earnings ratios since 2008-2009 and the general sentiment is extremely negative. Although they acknowledge it has been tough for investors, they believe the focus on quality will mean when the snap back comes, this fund could benefit .

Slater are not necessarily a household name but they do one thing only and that is invest in the UK. It is a business that was founded in 1994 and has both a stable management team and a process built up over time.

The strategy is best shown below:



Slater Growth Fund – August 2023

For us it is the margin of safety that is key to this strategy. Ultimately, if you can identify a quality business and not overpay for it, then over the long-term investors should be rewarded. This is effectively a logical approach to investing. If you overpay it is normally paying for something that hasn't happened, and therefore you are investing on hope alone. This is about making sure everything is in place to protect that business, and buying at a good price means that it lessens the risk over the long-term.

It is not just about when they buy but also when they sell. This is a relatively low turnover fund but they will not hold just because they like something. Examples of reasons to sell include an erosion of the margin of safety, better investment opportunities, a change in story and / or poor relative performance.

Although this has an ESG overlay, this is not an exclusionary strategy. However, naturally companies are excluded if they don't meet the quality overlay.

In summary, this is an all-cap UK fund managed by a company that focuses purely on UK equities. It is also a company that has been doing this since the early nineties. The UK as an asset class is unloved and the holdings of the fund have suffered in the recent downturn. The focus on quality means that they believe that when a bounce comes, they will benefit from it. Ultimately in an environment with higher interest rates and inflation, it is quality that will shine. The questions are when will this happen and whether investors still see a place for UK equities within their portfolios.

The source of information in this note has been provided by Slater and is correct as of August 2023. 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.

LWM Consultants Ltd is authorised and regulated by the Financial Conduct Authority. FCA Number 728107. Registered in England & Wales under Company Number 07408315.
Registered Office: The Garden Suite, 23 Westfield Park, Redland, Bristol, BS6 6LT