

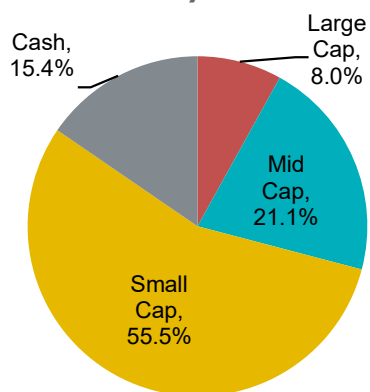
## Commentary

Welcome to our seventieth factsheet. We have switched things up by providing some comment along with more digestible data on portfolio characteristics. With some strategies it's appropriate and helpful to present the average of individual company statistics (i.e. 'if the portfolio were a stock, it would trade on a P/E of 'X', have a RoIC of 'Y' and earnings growth of 'Z'). However, our holdings are an eclectic bunch, held together by the principle that we bought them when the market hated them (typically after a capitulation event) and we intend to sell them when the market thinks more highly of them (typically thanks to a narrative shift). Some of these ideas are 'cheap' today versus the market on standard metrics; some are not but have significant upside potential if earnings recover, or a margin of safety in their balance sheet. Therefore, data that may be informative at the stock level loses descriptive value when aggregated at the portfolio level. This is why we have provided portfolio characteristics in the form of % holdings in each 'bucket', rather than as averages across the portfolio.

## Top Ten Equity Holdings

|       |                        |       |
|-------|------------------------|-------|
| 1     | Somero Enterprises     | 7.4%  |
| 2     | Newriver Reit          | 6.7%  |
| 3     | EnQuest                | 6.5%  |
| 4     | Photo-Me International | 6.0%  |
| 5     | Capita                 | 5.8%  |
| 6     | Gulf Marine Services   | 5.7%  |
| 7     | Renewi                 | 5.4%  |
| 8     | HSS Hire Group         | 5.0%  |
| 9     | Costain Group          | 5.0%  |
| 10    | WPP                    | 4.4%  |
| TOTAL |                        | 58.1% |

## Portfolio by Size



Small Cap below £500m,  
Mid Cap from £500m to £3,000m,  
Large Cap above £3,000m

## Portfolio Characteristics

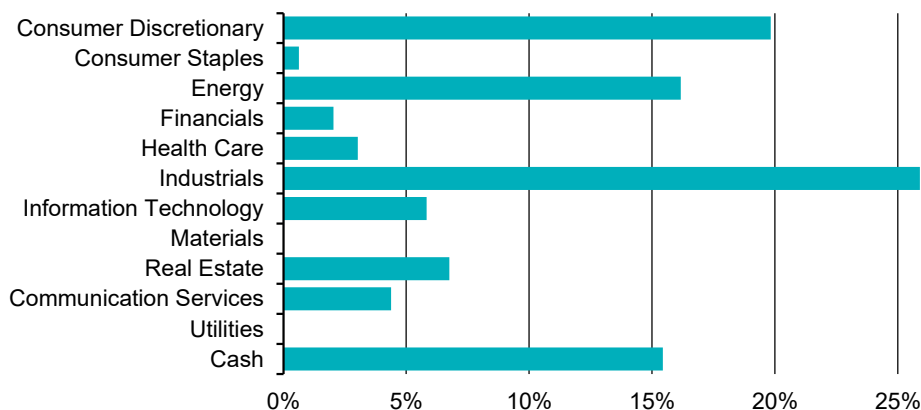
|   |       |
|---|-------|
| Percentage of holdings that:              |       |
| Trade at < TBV <sup>†</sup>               | 24.7% |
| Trade at < 10x P / E <sup>††</sup>        | 81.2% |
| Trade at > 10% FCFE yield <sup>†</sup>    | 83.4% |
| Have balance sheet net cash <sup>†^</sup> | 36.5% |

## Key Facts

|                         |                                      |
|-------------------------|--------------------------------------|
| Structure               | UK NURS OEIC                         |
| AUM                     | £8.1m                                |
| Class A / B price       | 127.8p / 125.9p                      |
| % held by CWC employees | 19.7%                                |
| Holdings                | 19                                   |
| Launch date             | 3 October 2016                       |
| Share type              | Net accumulation                     |
| OCF Cap*                | 0.37%**                              |
| Performance fee rate*   | 20% versus benchmark (with HWM)      |
| Class A benchmark       | MSCI UK IMI Net Dividends Reinvested |
| Class B benchmark       | 8% annual return                     |

<sup>†</sup> Last reported / <sup>††</sup> Consensus forecast  
<sup>^</sup> Excluding IFRS16  
\* Refer to prospectus for full details  
\*\* Applies to GBP A to 30/06/23, reverting to 0.45%

## Portfolio by Sector

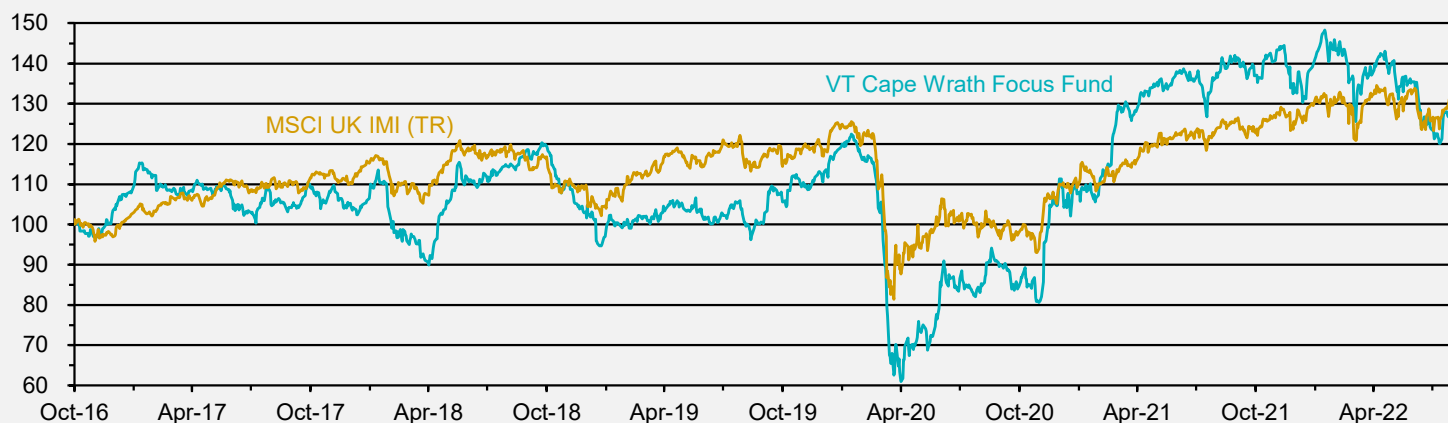


## Performance

3 October 2016 – 29 July 2022

Class A GBP Net Accumulation vs MSCI UK IMI (TR) rebased to 100

|                  |      |        |       |       |       |           |
|------------------|------|--------|-------|-------|-------|-----------|
|                  | 1 m  | 6 m    | 1 y   | 3 y   | 5 y   | Inception |
| Class A GBP      | 2.8% | -10.9% | -5.9% | 23.1% | 17.4% | 27.8%     |
| MSCI UK IMI (TR) | 4.3% | 1.1%   | 7.4%  | 8.8%  | 20.0% | 31.1%     |



Past performance is not indicative of future results

## Investment Objective

The investment objective of the Fund is to generate capital growth over the long term by typically investing at least 70% in a concentrated portfolio of UK listed equities. The Fund follows a value philosophy, looking for situations in which investors have over-reacted to events and valuations no longer reflect company fundamentals. The best opportunities often are found after a period of disappointment has created emotional reasons not to invest. Every investment requires a clear catalyst, which impacts on earnings, or the multiple the market applies to those earnings.

## Platforms

|                        |                                   |
|------------------------|-----------------------------------|
| AJ Bell                | Embark                            |
| Alliance Trust Savings | Fusion                            |
| Allfunds               | Hargreaves Lansdown               |
| Ascentric              | Quilter                           |
| Aviva                  | Raymond James                     |
| Charles Stanley Direct | Transact                          |
| Cofunds                | Valu-Trac Administration Services |

## Disclaimer

The information in this Report is presented by Cape Wrath Capital using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this Report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this Report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

The value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance.

Any opinions expressed in this Report are subject to change without notice and Cape Wrath Capital is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Cape Wrath Capital unless otherwise indicated.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you. Users are therefore warned not to rely exclusively on the comments or conclusions within the Report but to carry out their own due diligence before making their own decisions.

Unless otherwise stated Equity Market price indices used within this publication are sourced or derived from data supplied by MSCI Inc 2022.

Cape Wrath Capital, employees of Cape Wrath Capital, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this Report.

© 2022 Cape Wrath Capital. Authorised and regulated by the FCA, registration number 955224. This status can be checked with the FCA on 0800 111 6768 or on the FCA website. All rights reserved. No part of this Report may be reproduced or distributed in any manner without the written permission of Cape Wrath Capital.

## Fund Manager



### Adam Rackley, CFA

After working as an analyst at the Alliance Trust, Adam joined Montanaro Asset Management, where he managed a smallcap income fund. Leaving the City in 2010, he taught the CFA qualification at BPP, and later managed equity research teams for CRISIL in Mumbai. In 2015 Adam returned to London and set-up Cape Wrath Capital. He has degrees in Philosophy, Politics & Economics, and Finance & Financial Law. Adam has served as a platoon commander with the 1st Battalion Black Watch and is the Principal at 'Alpha Coach', a leadership programme for portfolio managers. In his free time, Adam enjoys making marmalade and spending time outdoors with his children. He once took six months off to write a book ('Salt, Sweat, Tears'), and has swum the Channel, rowed the Atlantic, cycled Lands End to John o' Groats and run across England, Scotland and Wales.

Cape Wrath Capital  
16 Trinity Square  
Llandudno  
LL30 2RB

01492 862885  
contact@capewrathcapital.com  
www.capewrathcapital.com

## Dealing Information

Daily dealing / 12 noon valuation point  
Dealing line +44 (0)1343 880344  
Class A GBP ISIN: GB00BYQLQR34  
Class B GBP ISIN: GB00BYQLQV79

## ACD & Administrator

Valu-Trac Investment Management  
Orton  
Moray  
IV32 7QE

## Depository

National Westminster Bank Plc  
Trustee & Depository Services  
Drummond House  
2nd Floor, 1 Redheughs Avenue  
Edinburgh  
EH12 9RH

## Auditor

Frame Kennedy  
4<sup>th</sup> Floor, Metropolitan House  
31-33 High Street  
Inverness  
IV1 1HT