

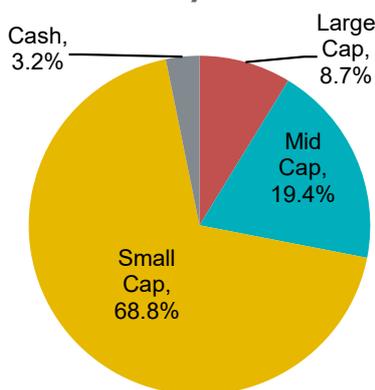
Commentary

Wiki says that Ben Graham died in 1976. But we can report that the father of value investing has been making special appearances in UK value-land of late. On 7 June we initiated on (and subsequently purchased) the greeting and gifting product designer and distributor, IG Design Group (IGR). Trading at 61p, versus current assets (cash, inventory, receivables) less total liabilities, of 81p per share, IGR was a classic example of a Ben Graham Net/Net. We saw 153% upside to our calculation of approximate value. A Ben Graham Net/Net is usually hated by the market. As well as global supply-chain challenges, IGR was having trouble digesting a large acquisition. The acquiree enjoyed gross margins which we believe had been artificially inflated by inventory write-downs. The subsequent margin collapse and restructuring delivered two share price capitulations, the scalps of the CEO and CFO, and led to over half of the shares in issue changing hands in the four months prior to our purchase. Seven months later, the shares have doubled, and we continue to keep a close eye on opportunities in Ben Graham Net/Nets.

Top Ten Equity Holdings

1	Gulf Marine Services	7.0%
2	Newriver Reit	6.9%
3	Somero Enterprises,	6.8%
4	HSS Hire Group	5.9%
5	WPP	5.9%
6	Capita	5.6%
7	SCS Group	5.5%
8	Enquest	5.3%
9	Currys	5.1%
10	Costain Group	5.0%
TOTAL		59.0%

Portfolio by Size



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

Portfolio Characteristics

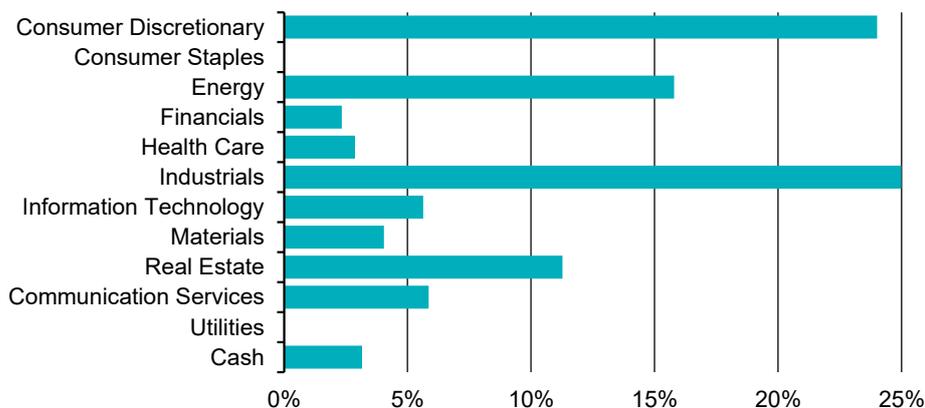
Holdings (ex cash) that:	
Trade at < TBV [†]	28.4%
Trade at < 10x P / E ^{††}	81.0%
Trade at > 10% FCFE yield [†]	62.0%
Have balance sheet net cash ^{†^}	35.0%

Key Facts

Structure	UK NURS OEIC
AUM	£7.0m
Class A / B price	125.3p / 123.3p
% held by CWC employees	21.7%
Holdings	20
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

[†] Last reported / ^{††} Consensus forecast
[^] Excluding IFRS16
^{*} Refer to prospectus for full details
^{**} Applies to GBP A to 30/06/23, reverting to 0.45%

Portfolio by Sector

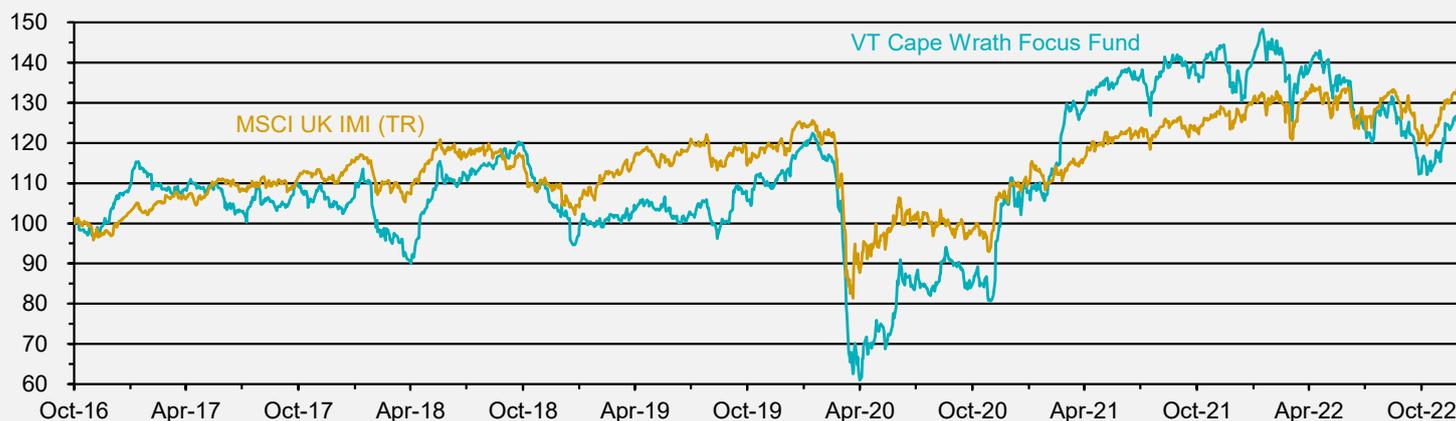


Performance

3 October 2016 – 30 November 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	7.7%	-7.3%	-5.4%	10.7%	18.7%	25.3%
MSCI UK IMI (TR)	7.1%	0.0%	8.0%	11.3%	21.0%	33.5%



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 overreacted 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	Novia Global
Aviva	Quilter
Charles Stanley Direct	Raymond James
Cofunds	Transact
	Valu-Trac Administration Services

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

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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 Curzon Financial Training. 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.

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