

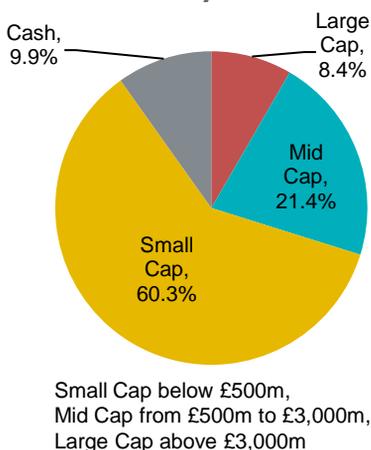
Commentary

We recently sold ME Group (MEGP, formerly Photo-Me). Our sell discipline is based on an Approximate Value calculation (like a target price). Two years ago MEGP shares were 43p. One year ago the CEO offered 75p for the 63.5% of the company that he didn't own. Shareholders rejected the offer and were rewarded with a rally to 130p (giving a PE ratio of around 10.5x on consensus forecasts), plus 13p of divis (including a special). The market doesn't know what to make of MEGP. The core business is photobooths and print kiosks. This supports the narrative that the business is in structural decline. But the ex-growth core generates cash for shareholders, whilst also providing capital for high-growth subsidiaries in self-service laundry and fresh food vending. This supports the narrative that MEGP is in a sweet spot with high-yield *and* earnings growth. It is between competing narratives like these that we put our process to work.

Top Ten Equity Holdings

1	Newriver Reit	7.5%
2	SCS Group	7.2%
3	Somero Enterprises	6.7%
4	Capita	5.8%
5	WPP	5.8%
6	Gulf Marine Services	5.2%
7	Costain Group	5.1%
8	HSS Hire Group	4.8%
9	Works co uk	4.4%
10	Hammerson	4.3%
TOTAL		56.9%

Portfolio by Size



Portfolio Characteristics

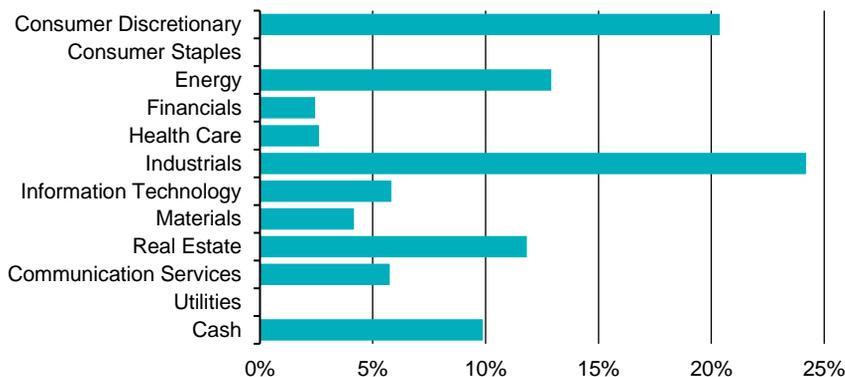
Holdings (ex cash) that:	
Trade at < TBV ⁺	27.4%
Trade at < 10x P / E ⁺⁺	81.2%
Trade at > 10% FCFE yield ⁺	62.7%
Have balance sheet net cash ^{+^}	35.7%

Key Facts

Structure	UK NURS OEIC
AUM	£7.7m
Class A / B price	134.9p / 132.7p
% held by CWC employees	20.0%
Holdings	20
Launch date	3 October 2016
Share type	Net accumulation
Class A OCF / Performance fee*	0.37%** / 20% versus benchmark + HWM***
Class B OCF / Performance fee*	0.90% / nil

⁺ Last reported / ⁺⁺ Consensus forecast
[^] Excluding IFRS16
^{*} Refer to prospectus for full details
^{**} Applies to GBP A to 30/06/23, reverting to 0.45%
^{***} MSCI UK IMI Net Dividends Reinvested

Portfolio by Sector

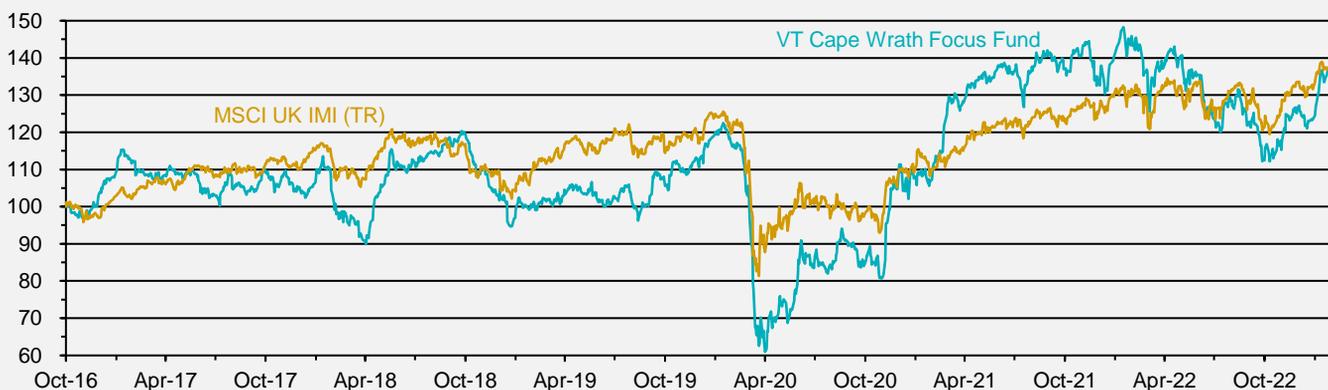


Performance

3 October 2016 – 31 January 2023

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	9.3%	5.6%	-5.9%	14.9%	29.3%	34.9%
MSCI UK IMI (TR)	4.4%	4.7%	5.9%	14.8%	20.9%	37.3%



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 2023.

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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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