

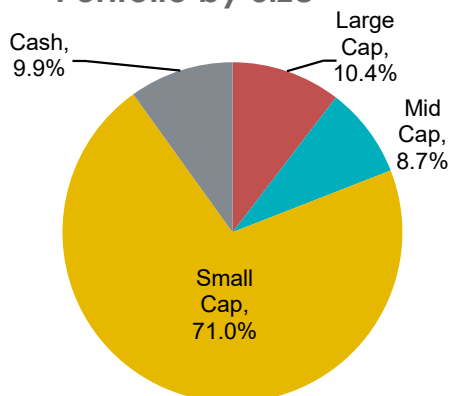
Commentary

Carillion went bust in 2018, owing £2bn to 30,000 suppliers; Interserve followed soon after. Administrators arrived at the Connaught PLC head office to find rooms piled high with unpaid invoices. Large contractors have a rep as bad payers, and when they fail it's typically due to underbidding to win fixed price contracts (halcyon days pre-IFRS15: book the profits up front / worry about the costs later). Not so in the case of our second largest position, Costain (COST). Interim results showed that 98% of invoices were paid in 60 days, making them one of the UK's fastest-paying lead contractors, according to the Government's Payment Practices and Performance reporting. And in recent years COST has reduced their fixed price contract exposure to nil. This year COST has also reinstated its dividend; increased net cash (which is over 80% of the market cap); enjoyed consensus EPS upgrades of c.11% and delivered c.50% share price appreciation. For sale today on consensus FY1e P/E of 5.1x.

Top Ten Equity Holdings

1	Gulf Marine Services	7.9%
2	Costain Group	7.1%
3	Newriver Reit	6.4%
4	Somero Enterprises	5.9%
5	SCS Group	5.2%
6	HSS Hire Group	5.1%
7	Renewi	4.9%
8	Enquest	4.6%
9	Currys	4.4%
10	Works co uk	4.4%
TOTAL		56.0%

Portfolio by Size



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

Portfolio Characteristics

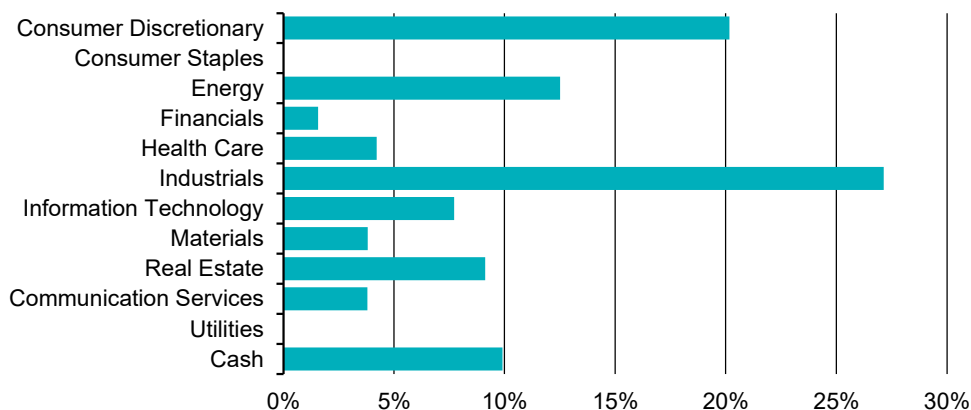
Holdings (ex cash) that:	
Trade at < TBV ⁺	31.0%
Trade at < 10x P / E ⁺⁺	77.7%
Trade at > 10% FCFE yield ⁺	65.2%
Have balance sheet net cash ⁺⁺	38.5%

Key Facts

Structure	UK NURS OEIC
AUM	£8.3m
Class A / B price	125.2p / 123.0p
% held by CWC employees	16.6%
Holdings	20
Launch date	3 October 2016
Share type	Net accumulation
Class A OCF / Performance fee*	0.45% / 20% versus benchmark** + HWM
Class B OCF / Performance fee*	0.90% / nil

⁺ Last reported / ⁺⁺ Consensus forecast
[^] Excluding IFRS16
^{*} Refer to prospectus for full details
^{**} MSCI UK IMI Net Dividends Reinvested

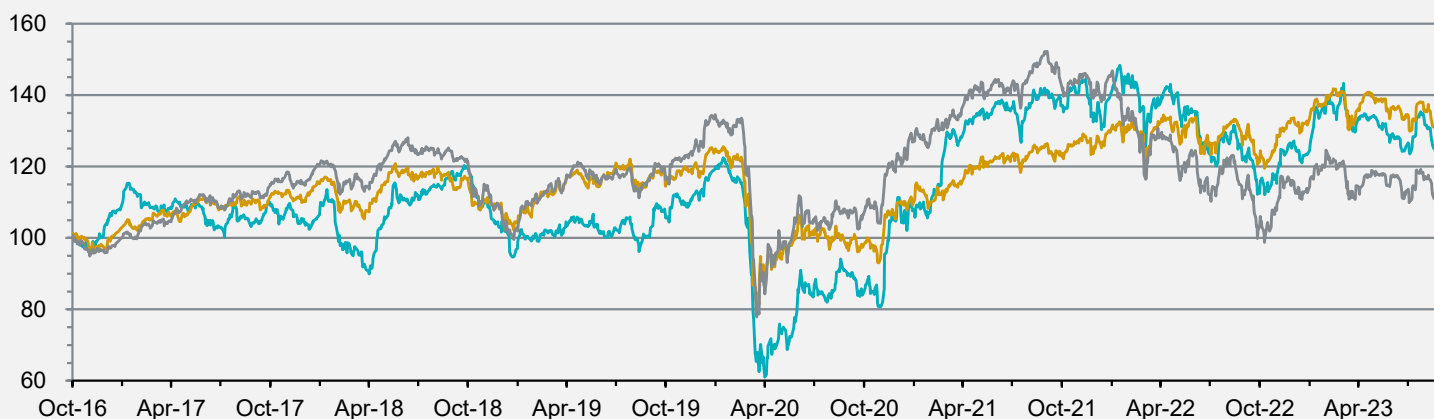
Portfolio by Sector



Performance

3 October 2016 – 31 August 2023

	1 m	6 m	1 y	3 y	5 y	Inception
Class A GBP Net Accumulation	-7.2%	-9.4%	1.0%	37.4%	6.1%	25.2%
MSCI UK IMI Net TR - rebased	-2.5%	-3.8%	4.8%	36.0%	16.1%	34.5%
MSCI UK Smallcap Net TR - rebased	-2.5%	-4.6%	0.9%	6.7%	-7.2%	15.4%



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	Fidelity Adviser Solutions
Alliance Trust Savings	Fusion
Allfunds	Hargreaves Lansdown
Ascentric	Novia Global
Aviva	Quilter
Charles Stanley Direct	Raymond James
Cofunds	Transact
Embark	Valu-Trac Administration Services

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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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