

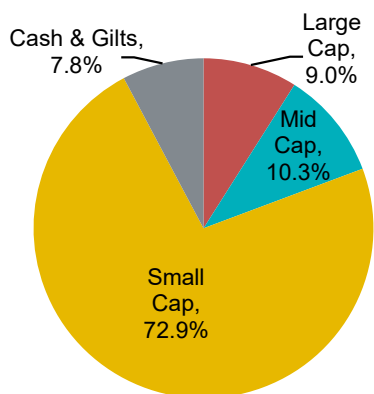
## Commentary

Currys (CURY), the UK's #1 multi-channel electrical retailer, will benefit from planned store closures at the #2, John Lewis. But PE firm, Elliot, has got the *never knowingly undersold* moto all wrong. Their 62p bid for CURY was a miserly 32% premium to the undisturbed price of 47p, and a 24% discount to the 82p of a year ago. A further bid of 67p was not much better. While the market for white goods has suffered from (now easing) challenges in the housing market and TVs are still coming off the hangover of the stay-at-home boom, these categories will improve with the replacement cycle. There were green shoots at the peak trading update on 18 January, which saw broker upgrades and a 60k share purchase by the CFO. On a prudent discount to historic multiples, CURY is worth something close to 100p, while the recent sale of the Greek subsidiary at 14x EV/EBIT suggests more. Elliot enjoys a fight, having once seized an Argentinian naval ship as collateral. But the Chinese internet retailer, JD.com, which has also thrown its hat in the ring, in search of a European beachhead, seems more likely to prevail.

## Top Ten Equity Holdings

1	Somero Enterprises	6.6%
2	Gulf Marine Services	6.1%
3	Costain Group	5.3%
4	Enquest	4.8%
5	Eurocell	4.6%
6	Synthomer	4.6%
7	MJ Gleeson	4.4%
8	Future	4.3%
9	Currys	4.1%
10	Newriver Reit	4.0%
TOTAL		48.8%

## Portfolio by Size



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

## Portfolio Characteristics

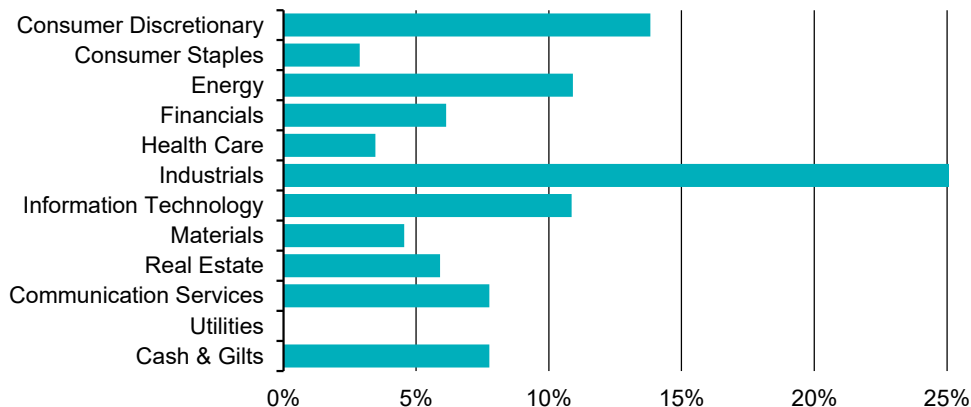
Holdings (ex cash) that:	
Trade at < TBV <sup>+</sup>	27.8%
Trade at < 10x P / E <sup>++</sup>	80.4%
Trade at > 10% FCFE yield <sup>+</sup>	61.6%
Have balance sheet net cash <sup>++</sup>	35.3%

## Key Facts

Structure	UK NURS OEIC
AUM	£12.2m
Class A / B price	134.1p / 132.6p
% held by CWC employees	11.9%
Holdings	24
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

<sup>+</sup> Last reported / <sup>++</sup> Consensus forecast  
<sup>^</sup> Excluding IFRS16  
<sup>\*</sup> Refer to prospectus for full details  
<sup>\*\*</sup> MSCI UK IMI Net Dividends Reinvested

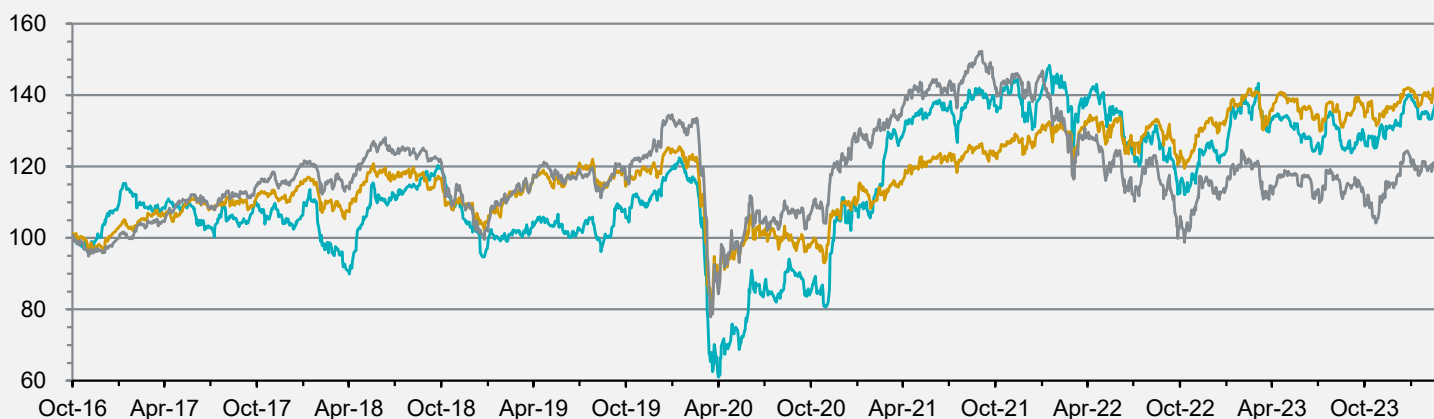
## Portfolio by Sector



## Performance

3 October 2016 – 29 February 2024

	1 m	6 m	1 y	3 y	5 y	Inception
Class A GBP Net Accumulation	-0.9%	7.1%	-3.0%	9.2%	32.2%	34.1%
MSCI UK IMI Net TR - rebased	0.4%	4.6%	0.7%	27.3%	26.3%	40.8%
MSCI UK Smallcap Net TR - rebased	-1.2%	3.9%	-0.9%	-7.9%	5.8%	19.9%



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.

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