

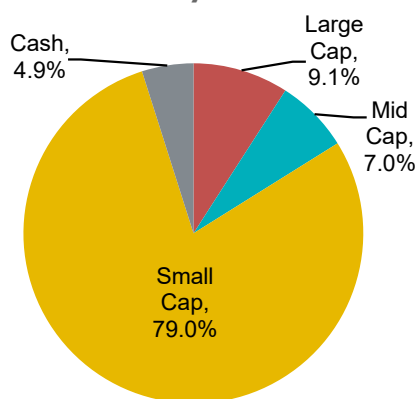
## Commentary

This month we took a position in the pub business, Marston's (MARS). There is an active market in pub assets, which typically sell for around tangible book value. In the case of MARS that works out at 96p per share. In 2021 management rejected a 105p offer from Platinum Equity Advisors. These valuation points stack up nicely against a current share price of 27p. The bear case is that MARS has a leveraged balance sheet. But debt is hedged and amortising, which means that there are no bullet payments or interest rate risk. And management is targeting £200m debt reduction over the next 3-years, while growing earnings through an increasing focus on food and a more premium offering. We considered a liquidation scenario in which MARS handed all their pubs back to the banks and wrote off the equity. The rump would be a 40% stake in the Carlsberg Marstons Brewing Company. On its own this stake may be worth anywhere between 39-57p. In other words, even without any pubs, this pub business could still be worth double the current share price.

## Top Ten Holdings

1	Costain Group	6.2%
2	Enquest	6.0%
3	TT Electronics	5.9%
4	Somero Enterprises	5.7%
5	Future	5.2%
6	Synthomer	4.9%
7	XP Power	4.7%
8	Eurocell	4.7%
9	Marston's	4.5%
10	WPP	4.2%
TOTAL		51.9%

## Portfolio by Size



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

## Portfolio Characteristics

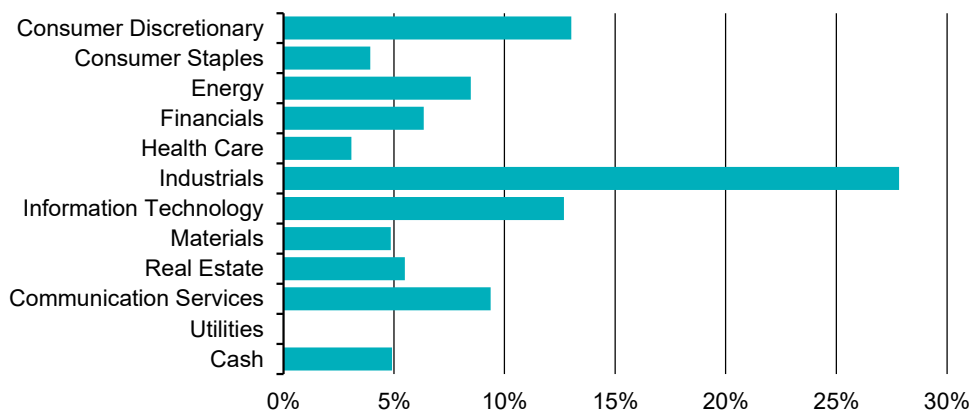
Holdings (ex cash) that:	
Trade at < TBV <sup>†</sup>	26.9%
Trade at < 10x P / E <sup>††</sup>	81.1%
Trade at > 10% FCFE yield <sup>†</sup>	54.0%
Have balance sheet net cash <sup>†^</sup>	29.6%

## Key Facts

Structure	UK NURS OEIC
AUM	£13.6m
Class A / B price	145.9p / 143.5p
Manager holding	10.7%
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  
\* Refer to prospectus for full details  
\*\* MSCI UK IMI Net Dividends Reinvested

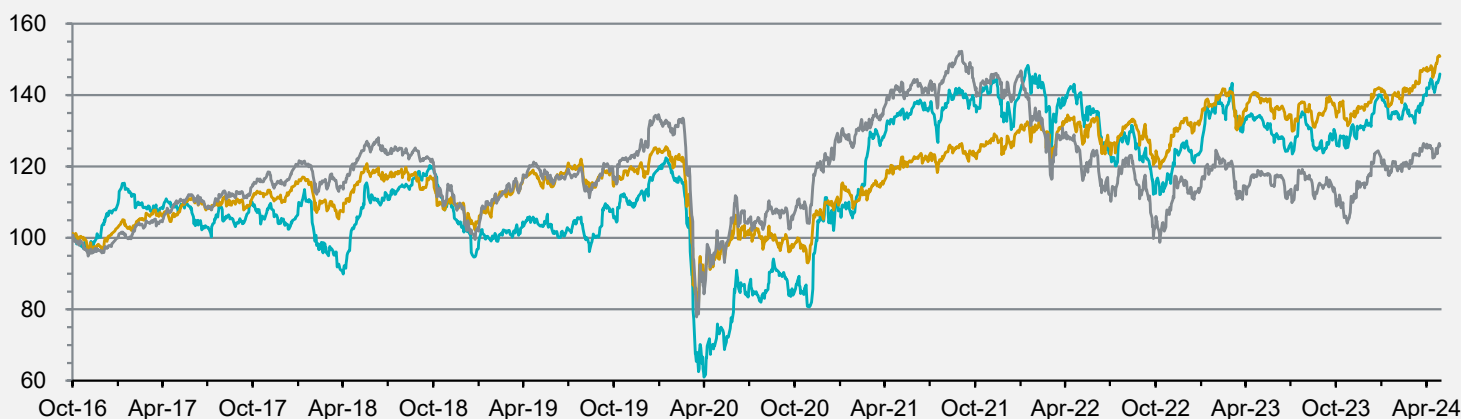
## Portfolio by Sector



## Performance

3 October 2016 – 30 April 2024

	1 m	6 m	1 y	3 y	5 y	Inception
Class A GBP Net Accumulation	4.3%	13.7%	9.0%	8.7%	38.5%	45.9%
MSCI UK IMI Net TR - rebased	2.3%	14.1%	7.4%	25.7%	28.2%	50.9%
MSCI UK Smallcap Net TR - rebased	-0.6%	18.2%	5.7%	-11.7%	4.4%	25.7%



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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## Dealing Information

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Class B GBP ISIN: GB00BYQLQV79

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