

Raynar Flagship

Factsheet
June 2021

Sub Fund of : EFG Silverstone SICAV-RAIF

Fund Manager:



Portfolio Manager:
Philip Rodriqs

First Day of Trading:
1 June 2020

Fund Assets Under Management:
£43.7m

Firm Assets Under Management
£99.9m

Custodian:

EFG Bank (Luxembourg) S.A.

AIFM

EFG Fund Management S.A.

Administrator:

HSBC France,
Luxembourg Branch

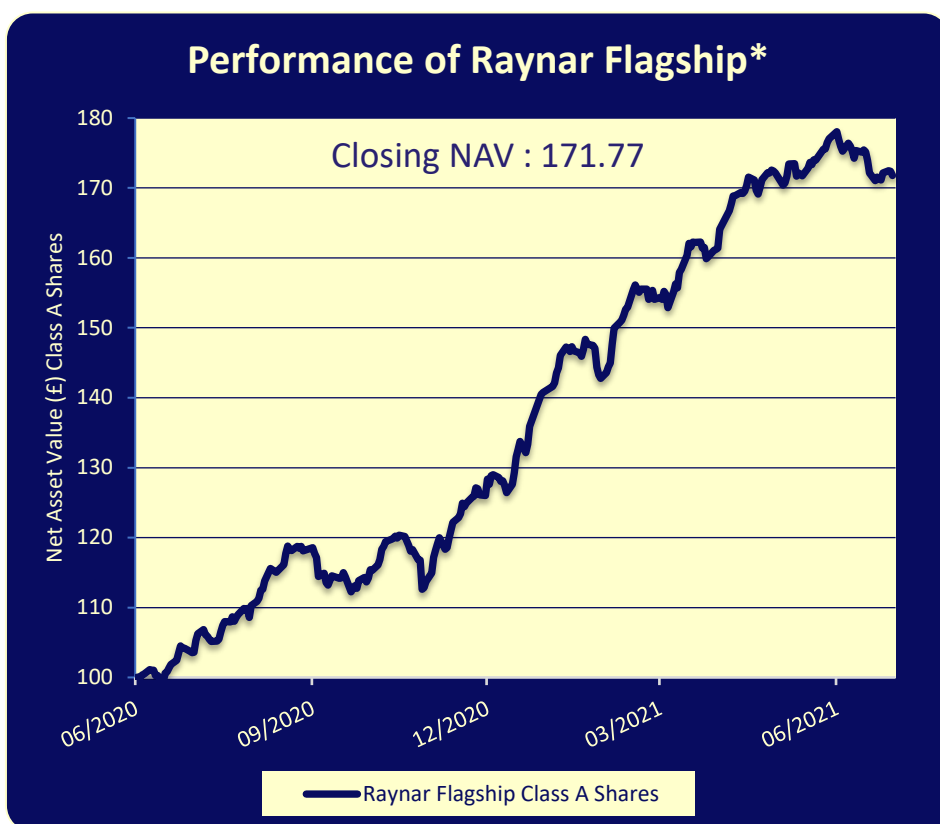
Auditor:

BDO Audit S.A. Luxembourg

Fund Objective:

To achieve capital growth over the medium term with an absolute focus on stock selection, unconstrained in its approach to building a high conviction portfolio of attractive risk vs return high conviction investments from across the UK equity market, with a likely predominance of small and micro sized companies. During periods with insufficient opportunities, unallocated capital will be preserved utilising the flexibility to invest in cash, beta hedging instruments and other asset classes.

FOR PROFESSIONAL INVESTORS ONLY



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Return	Total Return
2020						3.57%	6.50%	7.80%	-3.35%	-0.46%	10.83%	11.69%	41.58%	
2021	+1.42%	7.92%	4.75%	6.67%	2.83%	-2.97%							22.04%	71.77%

Past performance is not a reliable indicator of future performance. *Raynar Flagship performance shows the net asset values of Class A Distribution shares in GBP from launch sourced from Bloomberg net of all fees and costs and excluding dividends.

The investment strategies employed by Raynar Portfolio Management are intended only for those persons who may be categorised as professional clients. Raynar Portfolio Management is a trading name of Met Facilities LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 587084). Met Facilities LLP is the investment manager of the Fund. EFG Fund Management SA is the Alternative Investment Fund Manager (AIFM).

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Top Ten Equities	Holding
MaxCyte	9.6%
Future	4.1%
Gear4Music	3.3%
Studio Retail	3.3%
OneSavings Bank	3.2%
Reach	3.1%
Vistry	3.1%
K3 Capital	3.1%
In The Style	3.0%
BigBlu Broadband	2.8%

Top Ten Investment Themes	Allocation
Structural/Defensive Growth	18.6%
Medical Technology	15.8%
UK Internet Retailing	14.3%
UK Financial Services	13.2%
UK Housing & Construction	12.8%
UK & Global Consumer	12.5%
Raw Materials	11.0%
Media	9.3%
Next Generation Infrastructure	5.6%
Excess High Conviction*	-13.3%

Studio Retail – Growth at an Unreasonable Price?

The commentary last month included referencing the portfolio manager's belief that more than 50% of the portfolio is exposed to stocks on price to earnings ratios below 10x. Importantly, the manager confirmed their view that these and other opportunities do not come at the expense of low growth. So how do these desirable combinations of extremely low valuations for high growth companies come about? There can be many reasons – as new top 10 holding **Studio Retail** demonstrates:

Studio Retail is a fast growing **UK Internet Retailer** with a profile which would sit comfortably alongside peers trading at and considerably above 20x earnings. Studio retails a wide range of homewares, clothing and gifts and additionally offers finance internally, unlike peers who often facilitate external finance providers. The firm reported 33% sales growth and 79% adjusted profit after tax for its year to March 2021 and consensus forecasts anticipate 29% earnings growth a year ahead, albeit after a quieter post-lockdown boosted year this year. This strong earnings growth is available at 6x consensus earnings (Cal 22).

Why is there such an apparently compelling opportunity? It seems that the market is remembering a past that is no longer applicable. **Studio Retail** used to be an over-leveraged conglomerate of poorly performing businesses. The only unit remaining *used* to be a paper catalogue retailer focused on gifts – a volatile category. Catalogues have been all but phased out. The firm has divested assets and generated significant free cash flow to be net cash positive on an underlying basis. Under new management, prior challenges with internet retailing and financial services have been corrected to such an extent that **Studio** is now a leader in these capabilities. So what else is left? Recent trading activity seems to have created market speculation that a large holder is willing to sell shares which may be perceived as an overhang at the same time as shares were ejected from FTSE indices for low trading activity. Both of these issues would be solved by new investors buying the shares on 6x. Will this final hurdle be jumped?

Contact Details

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www.raynarpm.com/investor-enquiries/

Raynar Flagship Share Classes	A Class	B Class
Inception Date	29 th May 2020	24 th August 2020
Status	Open	Open
Minimum Initial Investment	£200,000	£5,000,000
Subscription	Daily, zero fee	Daily, zero fee
Redemption	Monthly, zero fee	Monthly, zero fee
Redemption Notice**	20 Business Days	20 Business Days
Annual Management Charge	1.00%	0.75%
Performance Fee	20%	20%
Hurdle Rate	5% annualised	10% annualised
High Water Mark	Yes – Lifetime	Yes – Lifetime
Distribution/Accumulation	Distribution	Distribution
ISIN	LU2076760391	LU2203806885
Bloomberg Ticker	EFSTRFGI LX	EFSTRFBG LX

**Redemptions occur last business day each month – instruction required before 3pm UK time on last business day of the prior month

Investment Themes are categorisations chosen by the portfolio manager which, in their opinion, best describes the predominant driver of the underlying investments. Investments may be re-categorised. *Represents negative cash balance arising from the utilisation of leverage to accommodate periods where there are excess high conviction investment ideas

Information for investors in Switzerland: The Fund mentioned in this marketing material is not approved by FINMA for offering to non-qualified investors in Switzerland and the information presented is only for qualified investors as defined under art. 10 paragraph 3 and 3ter CISA in connection with art. 4 paragraphs 3 to 5 FinSA and art. 5 paragraphs 1 and 4 FinSA. The Representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon. The Paying Agent in Switzerland is CACEIS Bank, Paris, Nyon Branch / Switzerland, Route de Signy 35, CH-1260 Nyon. The prospectus, the key investor information document, the articles of association and the annual and semi-annual reports of the Fund/s may be obtained, free of charge, at the representative in Switzerland. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.