

Raynar Flagship

Sub Fund of: EFG Silverstone SICAV-RAIF

Factsheet
December 2021

Fund Manager



PORTFOLIO MANAGEMENT

Portfolio Manager
Philip Rodrigs

First Day of Trading
1 June 2020

Fund AUM
£42.1m

Firm AUM
£101.1m

Custodian
EFG Bank (Luxembourg) S.A.

AIFM
KB Associates S.A.

Administrator
HSBC France, Luxembourg Branch

Auditor
BDO Audit S.A. Luxembourg

Fund Objectives

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

Raynar Flagship NAV Performance



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cal Return	Total Return
2020						3.6%	6.5%	7.2%	-3.4%	-0.5%	10.8%	11.7%	40.8%	
2021	1.4%	7.9%	4.8%	6.7%	2.8%	-3.0%	3.1%	2.9%	-7.0%	-0.7%	-7.0%	3.2%	14.8%	61.5%

Past performance is not a reliable indicator of future performance. Chart shows daily net asset values including cumulative dividends declared for Class A Distribution shares in GBP to date net of all fees and costs. Source: Bloomberg

The investment strategies employed by Raynar Portfolio Management are intended only for those persons who may be categorised as professional clients. Nothing herein should be construed as advice. 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. KB Associates S.A. is the Alternative Investment Fund Manager (AIFM).

Top Ten Equities	Holding
MaxCyte	8.3%
Serica Energy	4.0%
OneSavings Bank	4.0%
Eneraqua Technologies	3.3%
De La Rue	3.3%
Capital Drilling	3.3%
K3 Capital	3.2%
Essentra	3.0%
Record Asset Management	3.0%
Synairgen	2.6%

Top Ten Investment Themes	Allocation
Structural/Defensive Growth	15.0%
Financial Services	14.1%
Medical Technology	13.4%
Raw Materials	12.0%
Internet Retailers	11.4%
Next Generation Technology	11.0%
Consumer	9.2%
Media	8.6%
UK Housing & Construction	7.2%
Excess High Conviction*	-1.8%

Extreme Value

The turn of the year is a popular time to evaluate for undervalued investment opportunities, especially after positive market returns. For Flagship it is heartening to start the year with strong exposure to arguably extreme value. Using consensus data***, many of our cash generative holdings are valued at very low multiples of underlying earnings:

Security features specialist **De La Rue** is valued at **7.6x earnings** with strong growth prospects in tax stamps. Newspaper to online media views giant **Reach** is also on **7.6x earnings** whilst connected TV to online ads network **Tremor** enjoys a prospective 43% of market cap in cash and net is on **6.0x earnings**. US online gaming exposed **XL Media** is on **6.1x earnings**. **Studio Retail** looks vulnerable to predators at **4.1x earnings** which factors in recent retailing sector woes.

Consistent high earnings growth is notably undervalued in select financials too. **OneSavings Bank** is on **7.4x earnings**, **DF Capital** is on **7.1x earnings**, **Bank of Georgia** is on **5.4x earnings** and insurer **Just Group** is on **4.4x earnings**, a very vulnerable level for a rare exposure to the booming pension buy-in sector in a consolidating sector.

Stabilising raw materials prices creates demand for ‘picks and shovels’. **Capital Drilling** is on **5.9x earnings** and **Gulf Marine Services** is on **3.5x earnings** in a market with few available rigs. Stable gold prices is a boon for miners generating cash – **Shanta Gold** is on **5.1x earnings** which doesn’t capture their bonanza-grade Kenyan asset, **Pan African Resources** is on **3.8x earnings** and **Serabi Gold** is on **2.5x earnings** having assured on permits recently. Last but not least, **Serica Energy** rose 110% in 2021, and yet it trades at just **1.5x earnings** after deducting the broker forecast expected cash balance worth 75% of market cap.

***Bloomberg consensus forward year earnings data sourced as of beginning 2022 compared to year end share prices (including adjustment to deduct available consensus cash forecast for Tremor and Serica, which also cites FY23 alongside DF Capital)

Raynar Flagship Share Classes	A Class	B Class
Inception Date	29th May 2020	24th August 2020
Minimum Initial Investment	£200,000	£5,000,000
Subscription	Daily, zero fee	Daily, zero fee
Redemption	Monthly, zero fee	Monthly, zero fee
Redemption Notice**	1 month	1 month
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	EFSRFGI LX	EFSRFBG LX

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**Redemptions processed 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.