

# Raynar Flagship

Sub Fund of: EFG Silverstone SICAV-RAIF

Factsheet  
October 2022

## Fund Manager



PORTFOLIO MANAGEMENT

**Portfolio Manager**  
Philip Rodrigo

**First Day of Trading**  
1 June 2020

**Fund AUM**  
£29.6m

**Raynar AUM**  
£74.6m

**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 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%	14.7%	
2022	-8.5%	-8.3%	3.5%	-2.6%	-4.7%	-7.5%	3.3%	-2.3%	-3.5%	0.2%			-27.2%	17.6%

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 described above are intended only for those persons who may be categorised as professional clients. Nothing herein should be construed as advice. RPM Holdings Limited is an Appointed Representative (FRN: 972964) 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	7.7%
Telecom Plus	5.2%
EnerAqua Technologies	4.1%
CentralNic	3.9%
FRP Advisory	3.5%
K3 Capital	3.5%
Capital Drilling	3.2%
Tremor International	3.0%
OneSavings Bank	2.5%
Essentra	2.4%

Top Ten Investment Themes	Allocation
Cash	15.1%
Resources	14.7%
Utility Services	13.1%
Medical Technology & Services	11.8%
Digital Media	10.0%
Software & Next Gen Tech	7.6%
Insolvency Practitioners	7.0%
Financial Services	6.9%
UK Housing & Construction	4.5%
Business Services	3.9%

## Essentra – Pricing Power

In a highly inflationary environment the difference between firms with pricing power and those without becomes stark. Price takers may be able to agree surcharges to match major raw material cost increases, but this can squeeze margins. Price makers can cite general inflationary increases when changing their prices, but can choose to maintain or even enhance margins, accelerating profit growth by more than inflation.

**Essentra**, now a pure-play Components business, is a price maker, growing its margin despite the inflationary environment. This follows the decision to finally break up the conglomerate, agreeing the sale of its Packaging business and this month the sale of its cigarette Filters business. Shareholders can expect a substantial return of cash and a stake in a strongly financed Components business with excellent scope to make value-accretive acquisitions in a ‘buyer’s market’.

Components covers a wide variety of small metal and plastic items that are essential for completing products such as cable ties, fastenings, caps, hinges, handles etc. Whilst the right price for a pint of milk is widely known, the opposite is true for small components costing less than 10p each. This gives **Essentra** tremendous pricing flexibility as the largest player in a fragmented market where service quality in delivering crucial items on time is often more valued than haggling over 0.1p of price. Through cycle operating margins have consistently coalesced around 20% which delivers enviable Returns on Capital Employed by this manufacturer and distributor. Acquiring to add range and reach whilst generating considerable value to the acquired firm with leading digital capabilities is a compelling proposition that outweighs moderate cyclical volume exposure.

### Contact Details

Head of Client Relations:  
Jon Garland

jon@raynarpm.com

T: 0207 1234 606  
M: 0745 809 2791

www.raynarpm.com

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

**\*\*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.