

Fund Manager



Portfolio Manager: Philip Rodrgis
Managing UK equity strategies since 2006, Philip is a multi award winning manager. Honoured as an all-sector Morningstar ‘Outstanding Rising Talent’, Philip has been twice named as IW’s UK Small Cap Fund Manager of the Year.

First Day of Trading
1 June 2020

Fund AUM
£26.3m

Raynar AUM
£68.9m

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%	0.1%	-1.7%	-28.4%	
2023	2.8%	0.4%	-3.3%	1.3%	-5.2%	0.0%	1.1%						-3.1%	12.0%

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
hVIVO	4.9%
MaxCyte	4.2%
Bank of Georgia	3.3%
DX Logistics	2.9%
Conduit Reinsurance	2.9%
Lookers	2.9%
Chemring	2.9%
Playtech	2.8%
Capital Drilling	2.8%
Alphawave Semi	2.7%

Top Ten Investment Themes	Allocation
Software & Technology	14.2%
Diversified Financial Services	13.3%
Utility Services	12.2%
Medical Technology & Services	10.4%
Raw Materials	8.2%
Component Suppliers	7.5%
Diversified Business Services	7.1%
Gaming Software & Services	5.6%
Retailers	5.0%
Digital Media	3.8%

Down, Up, Sideways – Interest Rate Sensitives

It will not have escaped notice that UK interest rates have been hitting the headlines of late. Based on 2-year swaps, interest rate expectations had been stable since the ‘mini-budget’ debacle at c4.5%. That was until mid-May, at which point expectations spiked to peak at 6.3%. They have now stabilised at 5.5% following better than feared inflation data which brought the level back to Bank of England forecast levels this month. The upset in between was due to inflation staying on a high plateau during April and May, leading to fears that UK inflation was out of control. In hindsight, the plateau makes sense due to coinciding with April’s 10% minimum wage hike which many firms, such as telecoms, waited for to implement their own hikes. With inflation now firmly on a declining trajectory, there is increasing cause for optimism that we are past peak fear for UK rates.

Whilst short-term volatility can be frustrating, it also provides excellent long-term investment opportunities in high quality firms that have been panic-sold due to their interest rate sensitivity. Within *Diversified Business Services*, flexible office building owner **Workspace** was purchased at nearly half its net book value per share. This is despite an inflation-busting 13.6% increase for its like for like rental yield thanks to strong post-pandemic demand for smaller office sizes. **Workspace** has fixed most of its own interest charges, so its sensitivity is much reduced. However, shares went down, then up and ended sideways, still at a huge discount.

Housebuilder **Vistry**’s sector discount is even less warranted after acquiring a key ‘partnerships’ rival. This segment offers lower interest rate sensitivity and very attractive returns on investment. Building materials provider **Brickability** continues to confound by *not* profit warning. And smart meter installer and owner **SMS** permanently benefits from inflation hikes from its highly defensive asset portfolio, so oughtn’t over-react to shorter term interest rates.

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.