

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.

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

First Day of Trading
1 June 2020

Fund AUM
£29.0m
Raynar AUM
£118.3m

Custodian
EFG Bank (Luxembourg) S.A.
AIFM
Waystone Management
Company Luxembourg S.A.
Administrator
HSBC France,
Luxembourg Branch
Auditor
BDO Audit S.A. Luxembourg

Raynar Flagship Performance



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cal Return	Total Return
2020						4.4%	8.0%	9.2%	-3.4%	-0.5%	12.7%	15.0%	53.7%	
2021	1.7%	10.4%	6.0%	8.5%	3.5%	-3.0%	3.1%	3.3%	-7.0%	-0.7%	-7.0%	3.2%	22.4%	
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%	-2.6%	-0.8%	-8.1%	7.3%	9.5%	1.1%	
2024	1.9%	-1.1%	4.1%	4.6%	6.5%	-3.4%	6.2%	0.2%	-3.4%	-2.1%	1.1%		14.9%	56.4%

Past performance is not a reliable indicator of future performance. Table and chart shows the cumulative performance including dividends declared for Class F Distribution shares in GBP net of all fees and costs. Source: HSBC

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 Thornbridge Investment Management LLP (FRN: 713859) which is authorised and regulated by the Financial Conduct Authority. Thornbridge is the Investment Manager of the Fund. Waystone is the Alternative Investment Fund Manager.

Top Ten Equities	Holding
Just Retirement	4.6%
Concurrent Technologies	3.8%
FRP Advisory	3.6%
Greatland Gold	3.5%
Morgan Sindall	3.4%
Hochschild Mining	3.2%
Funding Circle	3.2%
Telecom Plus	3.0%
TP ICAP	2.9%
Bank of Georgia	2.9%

Top Ten Investment Themes	Allocation
Tech – Software & Hardware	15.2%
Diversified Business Services	14.5%
Consumer Retail and Leisure	13.5%
Diversified Financial Services	12.8%
UK Housebuilding & Services	11.3%
Excess High Conviction*	-8.6%
Gold Mining & Services	8.5%
Financial Transaction Platforms	7.9%
Manufacturing	7.6%
Utility Services	7.2%

PubCos – Nixed by NICs?

November was a month marked by ongoing digestion of the implications of the new government’s budget. For the financial markets, the main surprise was the lowering of the employer national insurance contributions threshold to £5,000 of employee earnings alongside the rate increase from 13.8% to 15%. The main surprise for the consumer was the positive shock that there really were no direct tax increases to bear, despite the doom and gloom perpetuated by the press. The top-end of expectations minimum wage increase exacerbates the cost pressure for large employers such as pub companies, but their customers have more to spend. Pub companies have complained loudly – even if it is unlikely that NIC changes will be rolled back - it is important to avoid appearing a soft touch, ensuring ministers think twice before implementing future measures.

Unsurprisingly, the initial market reaction was negative, which pressured our holdings in **Mitchells & Butlers**, **Escape Hunt** and **Boom Battle Bar** owner **XP Factory** and **Loungers**. The enthusiastic weighting towards these quality operators was due to an established trend of positive surprise as they are each able to enjoy strong pricing power aided by an ideal combination of a robust consumer and the effect of an industry wide reduction in the number of outlets. **XP Factory** additionally benefits as a pure play into a major new theme of experiential leisure – to the envy of **M&B**. Despite the fearful headlines, all three have informed investors that they expect to fully mitigate the impact of NICs without reducing earnings power, meaning the share price declines have only served to lower the valuations of these resilient firms exposed to a strong consumer.

These characteristics have resulted in a takeover approach for **Loungers**. With perfect timing, a 30% premium has been offered for a rapidly growing firm which is only slightly ahead of their previous peak share-price.

Raynar Flagship Share Classes	A Class Distribution	B Class Distribution
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
ISIN	LU2076760391	LU2203806885
Bloomberg Ticker	EFSRFGI LX	EFSRFBG LX
NAV at end of month	130.70	112.14

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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