

Bronze

FACTSHEET • SEPTEMBER 2024

WS Amati Global Innovation Fund

Signatory of:

Principles for Responsible Investment

Low

Carbon



Fund Objective

The Fund aims to provide capital growth and to outperform global equity markets over the medium to long term (3-5 year period), by investing in companies that create value from innovative products, services and business models that address key challenges facing businesses, consumers and societies, where the impact of such innovation is not fully priced by the market. The recommended holding period is 5 years or more. To read more, please go to: Fund Overview



Contact Details

Investment Manager

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ACD of the Fund

W: Waystone Management (UK) Limited

Key Information

Available Platforms	Click here for list of available platforms
Launch Date	May 2022
Charges (no initial)	0.75% Annual Mgt Charge plus research charge of up to 0.10% (OCF capped at 1%)
Fund Size	£10.6m
Share price (B Class)	124.67p
Share price (C Class)	99.39p
ISAable fund	Yes
IA Sector	Global
No. of Holdings	39
Minimum Investment	£1,000
Net Dividend Yield	0.3%
Initial Charge	0%
Min Lump Sum Regula	ar £50/month
Share Type	B Accumulation
Scheme Type	UK UCITS
ISIN	GB00BKVF3N76
Benchmark	MSCI ACWI

Investment Team



Mikhail Zverev Fund Manager





🧊 10 Largest Holdings	% OF TOTAL ASSETS
Novonesis	4.1%
Bruker	3.7%
PTC Inc	3.5%
Danaher	3.5%
Samsung Electronic	3.3%
Infineon Technologies	3.1%
Autodesk Inc	3.1%
Impinj Inc	3.0%
MKS Instruments	3.0%
Leonardo DRS	3.0%

Ratings, Awards & Signatories

UK

STEWARDSHIP

CODE

Cumulative Performance

(B CLASS)

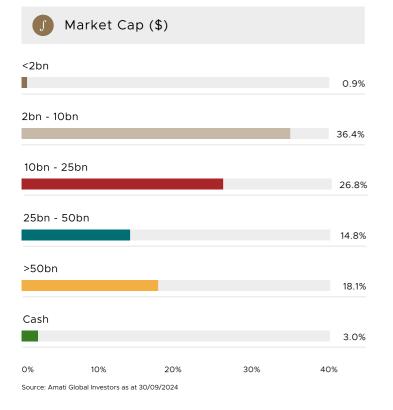
	Fund Return* (%)	Benchmark Return** (%)	Avg Sector *** (%)	Q'tile Rank
1 month	-0.93	0.26	0.13	4
3 months	-0.87	0.47	0.15	3
6 months	0.18	3.29	0.89	3
1 year	21.20	19.89	16.19	1
2 year	30.39	32.46	25.23	2
Since Launch#	24.67	31.68	24.85	3

Cumulative performance data as at 30/09/2024

* WS Amati Global Innovation Fund, Total Return ** MSCI ACWI Index (GBP), Total Return. # 23 May 2022

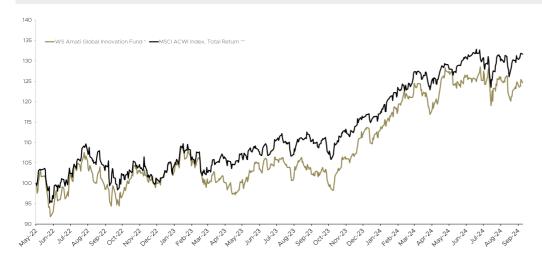
Past performance is not a reliable indicator of future performance.

① Discrete Annual Performance				
	Fund Return (%)	Benchmark Return (%)		
30/09/2024	21.20	19.89		
29/09/2023	7.58	10.49		



J	Sector \	Weighting	gs			
Information Technology						
					36.2%	
Health	Healthcare					
				:	28.0%	
Industr	ials					
					21.9%	
Materia	als					
					6.6%	
Financi	als					
					2.3%	
Communication Services						
					2.0%	
Cash						
					3.0%	
0%	10%	20%	30%	40%		
Source: Amati Global Investors as at 30/09/2024						

Performance vs Benchmark



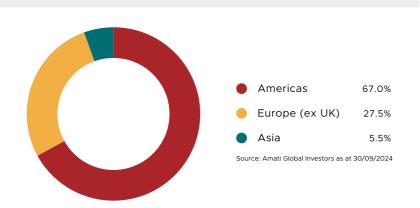
*WS Amati Global Innovation Fund, Total Return. **MSCI ACWI Index (GBP), Total Return. The stocks comprising the index are aligned with the Fund's objectives, and on that basis the index is considered an appropriate performance comparator for the Fund. Please note that the Fund is not constrained by or managed to the index.

Sources: Amati Global Investors Ltd and MSCI Inc

Past performance is not a reliable indicator of future performance.

. Source: Amati Global Investors as at 30/09/2024





Investment Report

In September the global equity index (MSCI All Countries World) repeated the pattern from the prior month by falling sharply in the first week only to bounce robustly for the remainder of the month. This performance aligns with the somewhat weaker commentary from industrial companies reporting first half results, noting a continued sluggishness in demand. With these messages immediately overlooked following rate cuts from the ECB and the US Federal Reserve, as well as new economic stimulus from the Chinese government.

Rate cuts were certainly welcomed by many of the stocks in the fund where constrained capital investment has weighed on their sales. The lower cost of borrowing should be helpful to rekindle demand. This should certainly be true for the fund's biggest positive contributor in the month, **Impinj**, the US listed Radio Frequency Identification (RFID) semiconductor manufacturer. Sales of their tiny tracking devices are increasingly being used in labels to monitor and manage goods throughout the supply chain. However, installing complete systems can be a large capital outlay and this has been constrained by high interest costs.

One area which has not been constrained, however, is Al. New Al data-centre spend has continued its rapid rise as demand keeps increasing and large language models become ever more complex. The sheer scale of many new data centres requires a vast number of connectors to achieve the 'neural' type network benefits they are targeting. This is boom-time for companies like **Lumentum**, our US listed photonics components manufacturer, leading them to second place in terms of positive contribution for September. Third place went to Mastec (again US listed) which is tangentially benefitting from the Al build-out. Amongst other things **Mastec** installs the grid infrastructure which is supplying power to these incredibly energy intensive systems, as well as increasing capacity for new devices such as electric vehicles. (For example, did you know that the International Energy Agency predicts that 80 million kms of power lines need to be added or replaced by around 2040?) Mastec is also set to benefit as regional broadband is rolled out across many parts of the US in the next 3-5 years.

One AI beneficiary which did not perform so well in the month was South Korean listed **Samsung Electronics**. As one of the world's three premier memory semiconductor producers, Samsung stands to benefit greatly as demand for High Bandwidth Memory accelerates. However, in the meantime the shares have responded negatively to an internal pay dispute as well as weakness in consumer products demand. Another notable detractor in September was US listed **MKS Instruments**, the specialty semiconductor equipment business. The weaker industrial outlook mentioned above, as well as slower PC and smartphone demand has temporarily impacted sales, leading management to temper their expectations for the next few months.

However, the weaker performers in the fund were not restricted to the semiconductor space. French listed **Edenred**, the digital vouchers business, has exposure to vehicle fleet activity in several countries where miles driven is currently falling in line with economic activity. Germany is a notable example, but not alone. Sentiment has been dented this year following increased competition and some negative headlines, but in our view the firm remains very well positioned and trading at a material discount to its mid-term value. Given their relative weakness, we have added to all three positions this month.

There were no new holdings in the month and the portfolio is close to the limit in number of names. We like to have healthy competition for places and with a strong pipeline of ideas we may see some changes in the coming months. Structural changes from innovation are rarely derailed by periods of economic slowdown, but these can be the best times to invest.



Graeme Bencke Fund Manager

🕥 Risk Warning

Past performance is not a reliable guide to future performance. The value of investments and the income from them may go down as well as up and you may not get back the amount originally invested. Tax rates, as well as the treatment of OEICs, could change at any time. The return on investments in overseas markets may increase or decrease as a result of exchange rate movements. There may be occasions where there is an increased risk that a position in the Fund cannot be liquidated in a timely manner at a reasonable price. In extreme circumstances this may affect the ability of the Fund to meet redemption requests upon demand. A dilution levy may be applied to the share price when the fund is expanding or contracting. Should you buy or sell in these circumstances it may have an adverse impact on the return from your investment.

This factsheet does not provide you with all the facts you need to make an informed decision about investing in the Fund. Before investing you should read the Key Investor Information Document (KIID) and associated Fund documentation. If you are in any doubt as to how to proceed you should consult an authorised intermediary.

Fund documentation can be requested from Waystone Management (UK) Limited or Amati using the contact details above, and is available to download from our <u>website</u>.

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