

Principles for Responsible

STEWARDSHIP

FACTSHEET • AUGUST 2024

WS Amati UK Listed Smaller Companies Fund

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Fund Objective

The Fund aims to achieve long-term capital growth over periods of 5 years or longer. The Fund invests in UK smaller companies. For further information on our objectives and policy, please view the Key Investor Information Document (KIID) here.



Contact Details

Investment Manager ACD of the Fund

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Waystone Management (UK) Limited

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	Key	Information
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Launch Date	December 1998
Fund Size	£377m
B Share Class	1,215.41p
Dealing Line	+44(0)115 988 8275
IA Sector	UK Smaller Cos
No. of Holdings	55
Minimum Investment	£1,000
Net Dividend Yield	1.7%
Min Lump Sum Regular	£50/month
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00B2NG4R39
Benchmark	Deutsche Numis Smaller Cos

Deutsche Numis Smaller Cos Index (plus AIM ex. Investment Cos), Total Return

Ongoing: 0.90% (inc 0.75% Annual Mgt Charge plus research charge of up to 0.10%) Charges (no initial)

Investment Team



Dr Paul Jourdan CEO & Fund Manager

Director & Fund Manager

Dr Gareth Blades Analyst



Scott McKenzie Fund Manager

David Stevenson

To view all fund awards, please <u>click here</u>			
10 Largest Holdings	% OF TOTAL ASSETS		
Qinetiq Group	4.3%		
Alpha Group	3.9%		
Great Portland Estates	3.1%		
Gamma Communications	3.0%		
Pollen Street Group	3.0%		
FRP Advisory Group	2.8%		
AJ Bell	2.7%		
Trainline	2.7%		
MJ Gleeson	2.7%		

Ratings, Awards & Signatories

ELITE RATED

by FundCalibre.com

Cumulative Performance

(B CLASS)#

2.6%

	Fund Return *(%)	Benchmark Return **(%)	Avg Sector ***(%)	Q'tile Rank
1 month	-1.77	-1.22	-0.92	4
3 months	-3.05	1.31	1.56	4
6 months	12.84	13.25	14.38	3
1 year	10.68	14.63	18.71	4
3 years	-30.47	-14.12	-18.56	4
5 years	9.23	26.42	28.00	4
10 years	119.03	61.58	90.45	1
Since take-on#	721.39	272.40	379.70	1

Cumulative performance data as at 31/08/2024

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** Total return, after all charges, net of UK tax. ** Numis Smaller Companies plus AIM # Since take-on 31/08/2000 *** IA UK Smaller Cos Sector Total Return

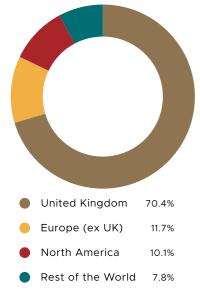
Past performance is not a reliable indicator of future performance.

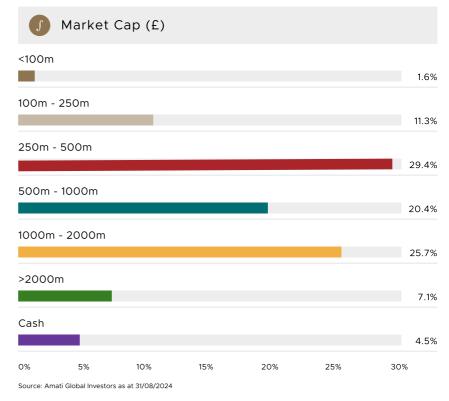
J Discrete Annual Performance		
	Fund Return (%)	Benchmark Return (%)
31/08/2024	10.68	14.63
31/08/2023	-11.75	-3.17
31/08/2022	-28.81	-22.63
31/08/2021	41.74	47.57
31/08/2020	10.83	-0.25

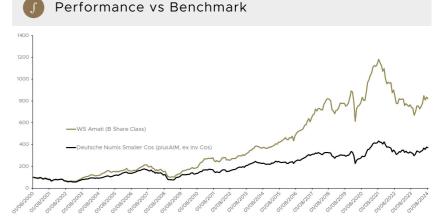
Sector Weightings	
Financials	
	27.2%
Industrials	21.1%
Consumer Discretioners	21.170
Consumer Discretionary	13.1%
Real Estate	
	8.6%
Information Technology	
	8.2%
Communication Services	
	6.2%
Health Care	4.3%
	4.3 %
Materials	3.5%
Energy	
	1.7%
Utilities	
1	1.6%
Cash	
	4.5%
0% 5% 10% 15% 20% 25% 3 Source: Amati Global Investors as at 31/08/2024	30%

Source: Amati	Global	Investors	as	at 31/08/2024	









Source: Amati Global Investors as at 31/08/2024

*WS Amati UK Listed Smaller Companies Fund, Total Return, since Paul Jourdan take-on of predecessor fund (31 August 2000). See Key Investor Information Document p.2.

**Deutsche Numis Smaller Companies Index (plus AIM, excluding Investment Companies), 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.

##The Investment Association's UK Smaller Companies sector return gives investors an indication of how the Fund is performing compared with others investing in a similar, but not identical, investment universe. Sources: Waystone Management (UK) Limited, Financial Express Analytics and Numis Securities Ltd. Information in this factsheet is at the last valuation point of the month, except where indicated.

The Fund was launched on 18 December 1998 as the First State British Smaller Companies Fund, of which Paul Jourdan was appointed manager on 31 August 2000. The present Fund was created as a new investment structure in July 2008 by the transfer of the assets to Capita Financial Managers, at which time the name was changed to CF Noble UK Smaller Companies Fund and later to CF Amati UK Smaller Companies Fund. The Fund was renamed TB Amati UK Smaller Companies Fund on 1 August 2012 following the appointment of T Bailey Fund Services as Authorised Corporate Director (ACD). On 31 August 2022 the Fund was renamed TB Amati UK Listed Companies Fund. On 3 October 2023 the Fund was renamed WS Amati UK Listed Smaller Companies Fund following the acquisition of T Bailey by Waystone Management (UK) Limited.

Past performance is not a reliable indicator of future performance.

Source: Amati Global Investors as at 31/08/2024

🚺 Investment Report

Markets had a dramatic start to the month, with the US market falling after weaker jobs data, fears of recession and doubt being cast on the return on investment of AI capex. This spread elsewhere, with a rate rise in Japan causing investors to unwind Yen carry trades that further pushed global markets downwards.

This setback was short lived however and markets moved sideways for the rest of August, in what is traditionally a month with limited trading volume. Overall, UK markets lagged European and US markets a little. UK large cap stocks outperformed small caps, in a slight reversal of the trend from the first half of the year.

The broader UK economic picture is one of steady improvement. Multiple data points released in August pointed to falling inflation, easing borrowing costs and ongoing low unemployment. Business activity measures for services and manufacturing pointed to continued private sector growth. In response to stable inflation of around 2% in May and June, the Bank of England trimmed 25 basis points from the base rate, the first cut for 5 years. The Bank also upgraded its expectations for 2024 GDP, from 0.5% to 1.25%, after stronger growth than expected in the first half. The tone set postmeeting was one of caution, but markets are expecting further cuts both this year and in 2025. This stable economic background coupled with lower rates should provide a supportive background for ongoing investment in UK smaller companies.

Against this backdrop, the UK Listed Smaller Companies Fund fell -1.8%, against a Deutsche Numis Smaller Companies & AIM index fall of -1.2%.

Positive contributors to performance this month came from a variety of sectors. The top performer was **FRP Advisory**, where strong results at end of July powered performance in August, as their core restructuring and corporate finance businesses saw strong activity. **Cab Payments**, a B2B bank for FX and payments, saw some recovery after a weaker trading statement in July upset the share price. **Wickes Group**, a home improvement retailer, continues to see resilient performance in a tough market and the shares rose by 13% as full year expectations were reiterated. **TT Electronics**, a global electronic solutions provider, enjoyed a rally from a depressed valuation as first half results confirmed margin improvement and cost cutting despite a tough market backdrop, especially in the US where destocking of sensors and components is still a feature. **Franchise Brands**, a B2B multi-brand franchisor, saw a strong recovery from what we believed to have been an overly negative reaction to results in July.

Detractors from performance included **OSB Group**, a specialist mortgage lender, whose interim results disappointed as mortgage lending spreads continued to compress. The shares fell 28% despite further share buybacks being announced. Two holdings issued disappointing profit warnings. **Watkin Jones**, a developer and manager of build to rent and student accommodation continues to see sluggish demand for its major schemes and is undertaking a strategic review of the business. **Accesso Technology** downgraded sales expectations based on weaker summer activity and poor weather impacting their theme park customers. They also announced a small share buyback following the fall in the shares.

Other holdings slipped despite limited specific newsflow, with **Trainline** falling on ongoing concerns about the new government's impact on the rail sector and **Polar Capital** seeing some short term pressure from its broad exposure to falls in the technology sector.

We sold one holding in the month, **Indivior**, a speciality pharma company focused on treatment for opioid addiction. Recent strategic missteps by management and the consistent increase in litigation activity against the company due to its own historic activity has increased risk and lowered our expectation that the value the company creates will accrue to shareholders.

Investment Report

We initiated a new holding in the month in **Jet2**, an integrated travel company, which is the number one tour operator in the UK. Customer service and staff retention in the business are key strengths. Jet2 are ranked 2nd out of 275 companies in the UK Customer Satisfaction Index. They have enjoyed strong growth in customer numbers, adding 72% since 2019. With a strong balance sheet, management are adding capacity which will help it take further market share. Despite this clear progress the shares remain modestly rated, offering meaningful upside from here. We also added to existing positions in build to rent property group **Grainger** and electronic tagging specialist **Big Technologies**, both of which have suffered some share price weakness in recent months.



Written by Gareth Blades



Risk Warning

This factsheet is issued by Amati Global Investors Ltd, which is authorised and regulated by the Financial Conduct Authority.

The value of your investment is not guaranteed and may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the markets in which the Fund invests. You should regard your investments as long-term. A dilution levy may be applied to the share price whenever the Fund is expanding or contracting. Should you buy when the Fund is expanding and sell when the Fund is contracting, this will have an adverse impact on the return from your investments. Full details of the WS Amati UK Listed Smaller Companies Fund, including costs and risk warnings, are published in the Prospectus of the WS Amati Investment Funds. This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the Key Investor Information Document (KIID) and associated fund documentation and decide whether to contact an authorised intermediary. If you do not have this documentation, please contact Waystone Management (UK) Limited on 0345 922 0044 or here. Tax rates, as well as the treatment of OEICs, could change at any time. If you are in any doubt as to how to proceed, please contact an authorised intermediary.

Smaller Companies - Investment in smaller companies can be higher risk than investment in well established blue chip companies. Funds investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset.

Please ensure you read the Risk Warnings above. Before making an investment, you should ensure that you have read and understood the relevant Key Investor Information Document, available from Smaller Companies Fund Literature.