

### Fund factsheet

30/04/2024

### Structure

Open Ended Investment Company (OEIC)

### Regulatory status

UCITS

### Fund launch date

29/03/2019

### Benchmark

MSCI Europe ex UK (comparator)

### Fund size (GBP)

£719m

### Number of holdings

47

### Dealing frequency

Daily

### IA sector

IA Europe ex UK

### UK UCITS ManCo.

Waystone Management (UK) Limited

### Yield (projected 2024<sup>1</sup>)

4.78%

### Yield (historic - 2023<sup>1</sup>)

I Acc 5.7291p / 3.76%

I Inc 5.0474p / 3.91%

R Acc 5.3781p / 3.57%

R Inc 4.0559p / 3.68%

### Initial charge

N/A

### Performance fees

N/A

### Ex - dividend date

31st December



## Fund manager

Rob Burnett has managed the WS Lightman European Fund since launch on 29th March 2019. He has managed European equity portfolios since 2005.

## Fund aim and objectives

The objective of the fund is to provide long term (in excess of five years) capital growth. The fund will invest at least 80% of its assets directly in the shares of companies listed and domiciled in Europe (excluding the UK). The fund will have a concentrated portfolio of approximately 40-50 holdings, selected at the manager's discretion. The investment manager seeks to invest in undervalued companies with positive operational momentum.

## Fund commentary

The abundant liquidity that has supported markets over the past year is beginning to run out. There are still mechanisms to support equities ahead of the US election, but the scale of support is fading relative to recent months.

We see elevated risks for large-cap growth equities, with the possibility of absolute downside at some point this year. Today appears to be a dangerous time to be a passive investor. The megacaps that dominate passive strategies are the most expensive, the most crowded and may face the largest downside in a sell-off. This is an opportunity for active strategies with a value bias to protect client portfolios.

We view the mania attached to AI as excessive and believe expectations will not match reality in 2024. We see limited identifiable value creation from the technology as it currently stands and a slow roll-out speed, leading to earnings disappointments in associated companies.

Our focus remains on companies at low valuations with strong balance sheets, with solid dividends, buy-backs and earnings expectations that can be beaten. Today we are finding more opportunities in defensive companies than cyclical companies.

Investors expect rate cuts in the US and Europe over the next year. Could this amount to a significant tailwind for growth-style investing and a headwind for value? We would say no. It is the long end of the yield curve that matters for valuation, not the short end. Whilst the Fed can cut interest rates at the short end, it cannot drive down interest rates at the long end. As we have discussed previously, the supply of bonds in the coming years is so high relative to demand that it is hard to see long bond yields falling much more, even in a recession.

Whilst 2024 looks like a more challenging year for the index than 2023, we believe the Fund can deliver positive absolute and relative returns.

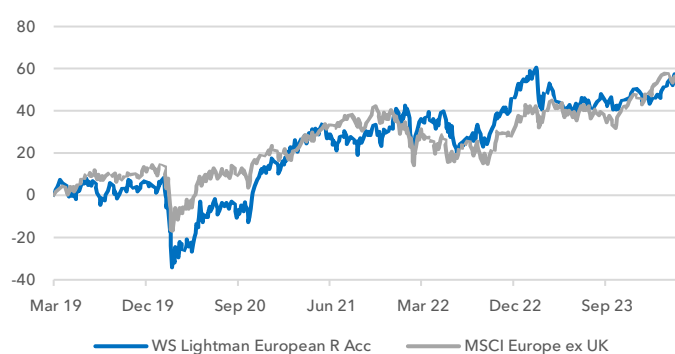
Sector breakdown		Top 10 countries		Top 10 holdings	
Energy	20.15%	France	19.44%	Galp Energia	5.91%
Materials	19.12%	Norway	11.41%	Shell	5.38%
Communication Services	15.66%	Netherlands	11.32%	Telefonica	4.69%
Financials	14.72%	Switzerland	7.39%	Antofagasta	4.34%
Industrials	10.97%	Sweden	7.21%	Orange	4.00%
Healthcare	9.59%	Germany	6.11%	Roche	3.56%
Consumer Staples	7.69%	Portugal	5.91%	Koninklijke	3.36%
Cash	1.18%	Australia	5.83%	Sandoz	3.34%
Consumer Discretionary	0.92%	Denmark	4.82%	Carrefour	3.07%
Utilities	0.00%	Spain	4.69%	Danske Bank	2.96%

### Fund share classes

Share class	OCF (capped)	SEDOL	ISIN	Bloomberg	Min. initial investment	Min. subsequent investment	Regular saving
Institutional (Acc)	0.6%	BGPFJM6	GB00BGPFJM62	LFLMEIA LN	£100m	£1,000	N/A
Institutional (Inc)	0.6%	BJCWFY5	GB00BJCWFY55	LFLMEIE LN	£100m	£1,000	N/A
Retail (Acc)	0.8%	BGPFJN7	GB00BGPFJN79	LFLMERA LN	£1,000	£1,000	£50
Retail (Inc)	0.8%	BJCWFZ6	GB00BJCWFZ62	LFLMERI LN	£1,000	£1,000	£50

### Performance

Since launch (%)



Cumulative (%)	1m	3m	6m	1yr	3yr	Launch
R-Acc	2.66	6.31	9.70	5.77	21.97	56.09
I-Acc	2.88	6.37	9.81	5.99	22.72	57.71
Benchmark	-2.12	3.91	16.42	7.96	21.18	54.67

Calendar year (%)	2024	2023	2022	2021	2020	2019*
R-Acc	3.52	3.17	11.00	16.97	6.22	5.98
I-Acc	3.60	3.37	11.21	17.20	6.43	6.16
Benchmark	4.56	14.83	-7.62	16.73	7.49	11.15

Past performance is not an indicator of future performance. Tax treatment depends on the individuals' circumstances and may be subject to change in the future. All data as at 30/04/24 in GBP; fund prices from Northern Trust, benchmark from MSCI. For periods covering part of a calendar year, performance has not been annualised: \*2019 performance is from fund launch on 29/03/2019 to year end.<sup>2</sup>

### What are the risks specific to this fund?

- The value of investments and the income derived from them may fall as well as rise and shareholders may not recoup the original amount they invest in the Fund.
- Funds investing in overseas securities are exposed to currency risk. Exchange rate movements may cause the GBP value of investments to increase or decrease.
- The Fund may suffer a reduction in value due to dealing costs incurred when buying and selling investments and management fee charges applied to the fund. Net yields may be lower than gross yields.

### Contacts

The Key Investor Information Document (KIID) and prospectus are available in English from:

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London, W2 6LG

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<sup>1</sup> Note: 2023 yields are estimated net yields based on the period Jan - Dec 2023. Net yield is after expenses and taxes. Yield % is calculated using ex-dividend unit price as on 02/01/2024. 2024 gross yields are approximate and have been calculated based on actual stock weightings and consensus dividend yields for 2024 as available on Bloomberg.

<sup>2</sup> Performance quoted does not consider applicable taxes on the investor. Performance calculated using GBP denominated unit prices or index values as at beginning and end of periods. Fund performance is net of fees with net income reinvested. Benchmark is MSCI Europe ex UK net return GBP index.