

FP Octopus UK Micro Cap Growth Fund

octopusinvestments
A brighter way

Data as at 29 February 2024



Fund managers



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Key facts

IA sector	UK Smaller Companies
Fund launch date	31 August 2007
Fund type	OEIC
Fund domicile	United Kingdom
Dealing frequency	Daily
Fund size	£102.1m
Number of holdings	51
Benchmark	Deutsche Numis SC plus AIM ex IT TR
P Acc fund price	259.60p
S Acc fund price	266.66p

Key risks

- The value of an investment, and any income from it, can fall or rise. Investors may not get back the full amount they invest.
- Past performance is not a reliable indicator of future results.
- Investments quoted on AIM are likely to fall and rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.

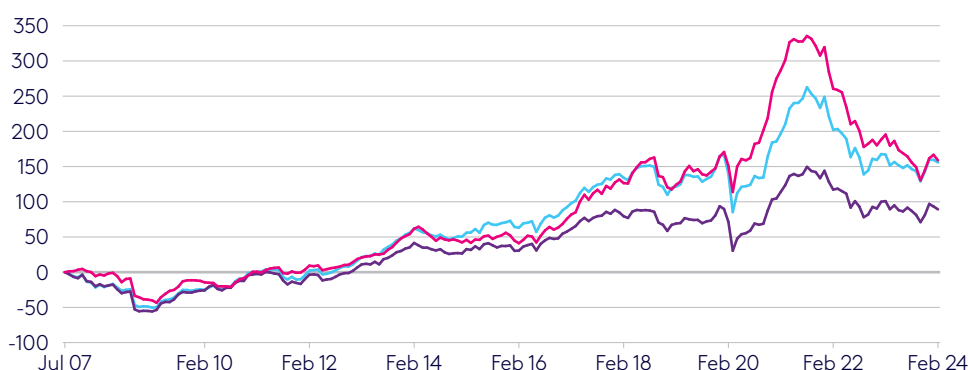
Fund objective

The Fund aims to achieve capital growth by investing in a portfolio of 60-100 growing UK smaller companies quoted on the official list of the London Stock Exchange, Alternative Investment Market (AIM) and Aquis Exchange.

Investment strategy

The fund is managed with a core-satellite approach. The core is populated by profitable, cash generative businesses with an experienced management team. The satellite positions, which are limited to 25% of the portfolio by value, will be higher risk growth opportunities including initial public offerings and exceptional growth opportunities including, companies which are not yet profitable.

Performance overview



Cumulative performance to 29 February 2024 (%)

	YTD	1 Y	3 Y	5 Y	Launch
FP Octopus UK Micro Cap Growth - P Acc	-1.10	-12.37	-33.08	15.54	158.90
Deutsche Numis SC plus AIM ex IT TR	-3.75	-5.80	-11.61	11.92	89.24
IA UK Smaller Companies TR	-1.57	-4.17	-13.86	15.52	155.84

Discrete yearly performance to quarter end (%)

Year to 31 December	2023	2022	2021	2020	2019
FP Octopus UK Micro Cap Growth - P Acc	-6.58	-33.22	17.92	34.67	19.74
Deutsche Numis SC plus AIM ex IT TR	3.21	-21.93	20.03	4.93	22.16
IA UK Smaller Companies TR	0.22	-25.67	22.82	7.26	26.21

Source: Lipper and Octopus Investments. Returns are in sterling and are based on published dealing prices excluding any initial charges, with net income reinvested and net of all fund fees.



Investor Services

For all administration enquiries such as account enquiries and valuations, please call FundRock Partners:

0370 7070073



Investment Enquiries

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0800 316 2394

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Asset allocation

	Value	% of total assets
Equities	£100.0m	97.9%
Cash	£2.1m	2.1%
Fund size	£102.1m	100.0%

Top ten equity holdings (%)

Next 15 Group plc	5.4
Renew Holdings plc	4.3
M&C Saatchi plc	4.0
Hasgrove Ltd	4.0
Gamma Communications plc	3.4
First Derivatives plc	3.3
Bloomsbury Publishing plc	3.3
Brickability Group plc	3.2
Keywords Studios plc	3.2
RWS Holdings plc	3.1
Total	37.2

Top ten sectors (%)

Support Services	19.4
Media & Entertainment	17.8
Specialty & Other Finance	11.0
Software & Computer Services	9.7
Construction & Building	5.2
Pharmaceuticals & Biotech	5.1
Unquoted Investment	4.0
Household Goods & Textiles	3.7
Investment Entities	3.4
Telecommunication Services	3.4
Total	82.7

Fees & codes

Minimum investment	£1,000
Minimum top up	£1,000
Fund initial charge	0.00%
Ongoing charge figure (capped)*	1.10%
ISIN	GB00BYQ7HN43
Sedol	BYQ7HN4

*Calculated as at 9 May 2022

Market cap weighting (%)

Over £3bn	0.0
£1bn-£3bn	9.3
£500m-£1bn	20.6
£250m-£500m	21.0
£100m-£250m	22.1
Sub £100m	25.0
Cash	2.1

Monthly commentary

The FP Octopus UK Micro Cap Growth Fund decreased by 2.9% during the month of February 2024. The benchmark Deutsche Numis Smaller Companies plus AIM (excluding Investment Trusts) decreased by 2.1%. The FTSE AIM All-Share Index decreased by 2.3% and the FTSE All-Share Index increased by 0.2%, all on a total return basis. Equity markets were weaker in February, with several growth companies giving up some of the gains achieved over the previous three months.

The main contributors to performance over the month included **Bloomsbury Publishing** (+17.7%), which released a trading update confirming profits would be materially ahead of expectations, leading analysts to upgrade profit expectations by a further 31% for the year to February 2024. **1spatial** (+17.1%) announced further contract wins, including a contract for its new 1Streetworks software. **Marlowe** (+32.8%) announced the disposal of its GRC software division for £430 million in cash. The division, which accounted for 40% of the Group's profits, will enable Marlowe to pay down its debt and return £150 million of cash to shareholders. **Itaconix** (+38.6%) announced a trading update, confirming a 40.6% increase in revenues over the previous year. The company also highlighted it finished the year with a strong net cash position.

The main detractors to performance included **RWS Holdings** (-13.9%) despite a trading update confirming that Q1 remained in line with expectations. **Sanderson Design Group** (-18.8%) released a full-year trading update. Revenues were lower than the previous year, however profits increased in line with expectations, following a 67% uplift in licence revenues. **Creo Medical Group** (-29.6%) declined, despite a tie up with a university in Abu Dhabi. The company also reported a 2.5x increase in its core technology sales. **Keywords Studios** (-11.0%) saw some profit taking following a share price rally in recent months. The company will report its full-year results in March. **DiscoverIE Group** (-13.5%) announced a trading update confirming the Group remains on track to deliver full-year numbers. The company has also completed a small bolt-on acquisition in North America.

The news flow in 2024 has continued to be positive, but the market appears more jittery in the run up the Budget, prompting a few of the core holdings to give up recent gains. Domestic flows have still not returned to UK equity markets, as policy makers appear to have softened the language around imminent rate cuts. The M&A activity has continued, with large premiums being paid for quoted companies trading at significant discounts to historic norms.

Important information

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